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Latin America Report

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INTER-AMERICAN AFFAIRS

ARGENTINE CULTURE SECRETARY COMMENTS ON CUBA VISIT

PY191644 Buenos Aires TELAM in Spanish 0110 GMT 17 Jan 85

[Text] Havana, 16 Jan (TELAM-ANSA)--According to Argentine Culture Secretary Carlos Gorostiaga, the most important issue of his visit to Havana will be to draft a list of cultural exchanges that could be carried out with Cuba.

Since his arrival in Havana on 10 January accompanied by his wife, Teresa Escalante Duran, the Argentine culture secretary has visited several cultural centers, among them the National Fine Arts Museum, the Scenic Art Faculty of the Higher Arts Institute, and the Alejo Carpentier Cultural Promotion Center, in addition to hospitals and recreation areas on the island.

In referring to his visit to Cuba--in response to an invitation extended to him by Cuban Culture Minister Armando Hart--Gorostiaga said that it is an important experience that has given us the chance to make a theoretical and practical evaluation that will help organize the cultural apparatus of a country that is emerging from ruins in all areas.

In statements to the local media, the Argentine culture secretary also referred to the need for a new communications and information order since, he asserted, "culture can hardly develop if we do not handle the media."

Gorostiaga added that the plans for artistic and cultural exchanges must be carefully analyzed because of the economic situation in his country. However, he said that it is necessary to create continental mechanisms, such as theater troupes and enterprises in charge of distributing films, in order to maintain communications among the Latin American countries.

Gorostiaga, who is well known by the Cuban public especially through his plays, one of which (Papi) went on the stage in Havana recently and received critical acclaim from the public and critics, exchanged points of view with the main representatives of the cultural sector.

During the meetings he held and statements he made he insisted on the Latin American aim of Argentine cultural policy after having found again its national identity, which regained force especially after the war over the Malvinas when we woke up to the true reality and found that we were small, few, poor, neglected, and betrayed and felt that only Latin American had not forgotten us.

CSO: 3348/313

ARGENTINA

LA PRENSA QUESTIONS SUPPORT OF UNESCO PROPOSAL

PY181657 Buenos Aires LA PRENSA in Spanish 15 Jan 85 p 6

[Editorial: "Control Over the Dissemination of Information at the World Level"]

[Text] Argentina's support of the UNESCO proposal to create a New World Order of Information and Communication is further proof that our government identifies itself with the pro-Third World tendency that it has advocated since it was installed. And it is precisely the "Third World" countries, headed by the USSR, that have made the most determined efforts to establish this new international order for the handling of news and commentaries.

Since the issue was first discussed in 1981, the major Western news agencies have clearly shown that the actual purpose of the initiative is to restrict the dissemination of information by specialized agencies and the independent press. Empowering governments to decide on the kind of information can and must be disseminated will curtail freedom of the press and pave the way for censorship of the news.

However, when this issue was discussed at UNESCO, Argentine Representative Ricardo A. Lagorio maintained that "the structural differences of the current system are caused, among other things, by the unjust disparity among the information mechanisms." In his opinion, "one of the major objectives of the Argentine delegation is to strive for a new and more just world order in the area of information and communication, in which all nations may participate." Moreover, he stated that it is "abusive and arbitrary" for four or five news agencies to have "the capacity to disseminate 80 percent of the news" in the world.

It should be noted that the Argentine representative's criticism was aimed at "four or five" independent agencies, ignoring the situation prevailing in the countries that support the new order. Neither the USSR nor the countries within the Soviet orbit have an independent press, because the dissemination of news is severely restricted in them. If the world knows anything at all about the internal situation in those countries, it is precisely because the foreign correspondents of the vilified news agencies have taken the risk of doing their jobs. Meanwhile, the Third World is being flooded

by ideological publications of a clearly communist origin, intended to reap political benefits from the difficulties the regions are experiencing. Fortunately, there are satellites traveling around the earth and conveying their messages everywhere, even to those neglected places that have been banned by the promoters of the "new order" in world communications.

In view of the aforementioned, it is hard to justify the support that our country is granting to the proposal made by UNESCO, whose ulterior motives not long ago compelled the United States to withdraw from it. Governments do not need to keep watch over freedom of press and information so news services can fulfill their historic objectives.

CSO: 3348/313

ARGENTINA

COSTA MENDEZ REACTS TO BRITISH DETERMINATION OVER FALKLANDS

PY211530 Buenos Aires CLARIN in Spanish 19 Jan 85 p 8

[Text] Former Argentine Foreign Minister Nicanor Costa Mendez stated yesterday that the self-determination of the kelpers is not only absolutely illegal but also "contrary to British legislation." In a statement to Radio America, Costa Mendez said that "Mrs Thatcher has a hot potato in her hands with the Malvinas issue, and she does not know what to do with it."

Costa Mendez added that the British prime minister knows that her only choice is to give back the islands, "but she also knows that if she does, she will lose prestige among her fellow [word indistinct] because of the hard position she has adopted."

The former foreign minister added that self-determination for the kelpers is also illegal from the UN point of view. He said: "Mrs Thatcher is impossible to deal with; and it was because of the position she adopted that we were compelled to occupy the islands on 2 April 1982. I believe that today our possibilities to recover the islands through diplomatic means have improved. President Alfonsin's government is making a great and sincere effort to recover the islands."

But Costa Mendez opined that while Margaret Thatcher is in power, the recovery of the islands will be difficult to achieve.

As for the British Government decision to grant concessions for oil exploration in the Malvinas Islands area, Costa Mendez said that he believes that it is "very unlikely" that any company will accept the risk, "since this will cause complications."

CSO: 3348/313

ARGENTINA

CIED RELEASES STUDY ON ARMED FORCES INEFFICIENCY

PY220135 Buenos Aires DYN in Spanish 1955 GMT 20 Jan 85

[Text] Buenos Aires, 20 Jan (CYN)--The Defense Ministry this year will try to solve the problem created by the existence of "triplicate" structures within the Armed Forces. "Each of the three services has developed structures and organs with similar or even identical functions, thus causing unnecessary expenses straining the various allocations, like the one for personnel," according to a study to which DYN had access today.

The study, made by the Center of Investigation and Study for Defense (CIED), says: "From factories for the manufacture of aspirins for the military medical corps to the most advanced computer centers for the armed forces, the facilities are generally in triplicate."

It also notes that "the 1985 military budget provides for expenses on the order of 310 billion pesos at the value of December 1984." Of this total, the national treasure will contribute from 230 to 240 billion pesos, and the remainder of slightly more than 20 percent will come from resources the sector generates.

In turn, of the 240 billion pesos apportioned to the military sector, "approximately 10 percent, that is, slightly more than 10 billion pesos," will go to defense production, which includes the operation of military industries and other military factories. "Special" projects, primarily in electronics, will be apportioned between 2 and 3 billion pesos.

The remaining 210 to 220 billion pesos are to be distributed among the three services. Discounting fixed expenditures for personnel, salaries, and debt and interest payments on new equipment, 50 to 60 billion pesos are left for "operational" expenses.

The CIED study affirms that military expenditures for 1985 "make up approximately 3.2 percent of the GDP, a figure that represents the maximum the country can afford in the present situation, which is characterized by a policy of economic adjustment that has been agreed on with the IMF, which gives priority to the servicing of the foreign debt."

The study then notes that "this situation will inevitably prevail over the medium term; that is, during the second half of the 1980's and well beyond the period of internal policy contingencies."

It adds that considering the existence of "triplicate" structures "the only possibility of maintaining the operational capacity of the armed forces at an adequate level lies in the reapportionment of military expenditures." Therefore, it will be necessary "to analyze the military system by functions" and "to eliminate the triplicate structures and make their functions more efficient."

The study adds that "there are some additional alternatives, such as the sale of elements that no longer fulfill a function within the military system," notably "those installations and properties as well as valuable modern equipment that can no longer be properly maintained due to special circumstances, as is the case of the British-made, missile-carrying frigates for which spare parts have not been available for almost 3 years" following the Malvinas war.

The CIED study to which DYN had access also mentions "some of the possibilities the Defense Ministry is analyzing to address these problems: The review of existing plans to reassess priorities" and "the need to have projects that do not depend on a foreign country for their development, expansion, or possible commercialization, as is the case now with the most important projects generally being dependent on the FRG."

Another possibility the Defense Ministry is analyzing is that "all profits made from assets in the defense sector will be reinvested into the sector," and at the same time "ensure the continuing of production in the area of national defense, where problems have existed since the end of 1982."

Another objective will be "to standardize some logic systems that have been separately developed by each branch of the armed forces, to build a consolidated stock of armaments, combining the stocks in the area of production for defense and the reserve stocks in each service"; and to discipline expenditures so as to prevent a cessation of payments to suppliers like the one that recently occurred.

Regarding the area of defense production, the CIED study reveals that "it has been decided that the so-called contract-programs will be used to determine production," so as "to avoid the accumulation of production stocks that are not needed for the operational requirements of the armed forces, in order to prevent cost increases in the sector."

Lastly, the study says that the formation of a holding company with the participation of state enterprises in the sector and private enterprises that manufacture war materiel will be considered as a way to improve production efficiency under market rules and to lighten the sector's burden on the national treasury."

CSO: 3348/313

ARGENTINA

PRESIDENT MEETS WITH SINGH, DISCUSSES BILATERAL RELATIONS

PA271607 Havana International Service in Spanish 0000 GMT 25 Jan 85

[Text] Argentina President Raul Alfonsin has called for coordination in the policies of developing countries in the struggle for nuclear disarmament and the establishment of a new world economic order.

In a speech given at a banquet offered by Indian President Zail Singh in New Delhi, the Argentine chief of state noted that military alliances and their consequences seriously endanger the survival of humankind.

The Nonaligned Movement, Alfonsin added, recognizes in India, one of its main and [words indistinct] founders, and indicated that this Third World movement is a vital historical process because it constitutes the affirmation of man's willingness to survive despite oppression, the arms race, and ideological divisions.

Later, Alfonsin met with Indian Prime Minister Rajiv Gandhi and discussed their bilateral relations and the world situation. Alfonsin arrived in India on Wednesday on a 6-day official visit and attended the signing of several bilateral agreements for economic, commercial, scientific, and technical cooperation, as well as cultural exchange accords.

A summit meeting for peace and disarmament will be held in New Delhi on Monday. The presidents of Argentina, Raul Alfonsin; Tanzania, Julius Nyerere; Mexico, Miguel de la Madrid; and prime ministers Olof Palme of Sweden, Andreas Papandreu of Greece, and Rajiv Gandhi of India will participate in that meeting.

CSO: 3348/313

ARGENTINA

BRIEFS

PCS OFFICES RANSACKED--Buenos Aires, 16 Jan (TELMA)--The Central Committee of the Communist Party of Argentina [PCA] has denounced that a group of individuals this morning entered a PCA office in Resistencia, Chaco Province, threatening the janitor and his family, destroying the furniture and taking away documents and a telephone. In this regard, a PCA communique adds that the Chaco Provincial Committee immediately summoned a press conference to denounce harassment by these parapolice and paramilitary groups, groups that have not been dissolved yet. In conclusion, the communique states that the PCA demands more energetic steps from government officials to squash these destabilizing groups, a task that will enjoy the support of all the citizenry. [Text] [Buenos Aires TELAM in Spanish 0307 GMT 17 Jan 85 PY]

NEW LABOR ORGANIZATION--The Association of Argentine Workers for Mutual Benefits [Asociacion Mutual de Trabajadores Argentinos] began operating today. This organization was created within the Revewal and Change Movement of the Radical Civic Union. The association is made up of (Carlos Tejero), head of the national lottery; National Deputy Florentina Gomez Miranda, and (Ismael Lavino Quiroga), vice president of the Greater Buenos Aires Electrical Services. The objective of the new organization is to reaffirm democratic values within the labor movement. [Text] [Buenos Aires Domestic Service in Spanish 2300 GMT 17 Jan 85 PY]

CSO: 3348/313

BERMUDA

HIGHEST PER CAPITA OF PEOPLE BARRED FROM VISITING U.S. HERE

Prominence of Drug Offenders

Hamilton THE ROYAL GAZETTE in English 17 Dec 84 pp 1, 8

[Excerpt]

Bermuda has the highest per capita percentage of citizens banned from visiting the United States of any country in the world.

This information is contained in the latest report of the Royal Commission investigating drug and alcohol misuse in Bermuda.

"Currently there are 1,500 Bermuda residents on the stop list," it said. "This is the highest per capita rate for any country."

The great majority of people on the list are convicted drug offenders.

"With Canada imposing restrictions similar to those of the United States, Bermuda is becoming more and more a veritable prison-for-life for certain individuals," said the report. "The Commission has met with a large number of these 'restricted' persons, and for the most part, they are

young, energetic and angry. Their anger is directed toward unnamed authorities, but their targets are frequently tourists, Bermudian residents and property."

The Commission said 15 percent of black Bermudians aged between 16 and 44 are on the stop list.

"The US Immigration authorities view very seriously use or abuse of illicit drugs and have made it very clear that persons using or abusing drugs are not welcome," it said. "All Bermudians should take careful note of this fact."

A former US Consul in Bermuda told the Commission that there would be no leniency for drug offenders.

"Misuse and conviction for drug abuse can result in an individual's never, repeat never, being able to visit the United States."

Government Alarm

Hamilton THE ROYAL GAZETTE in English 18 Dec 84 p 1

[Text]

Government and Opposition Senators yesterday questioned the validity of methods used by the American Consulate for drawing up its Stop List of Bermudian citizens banned from visiting the United States.

The latest report of the Royal Commission investigating alcohol and drug misuse revealed Bermuda has the highest per capita percentage of citizens banned from the United States of any country in the world.

"There are 1,500 names on the Stop List," said PLP Senator Charles Bean on the motion to adjourn. "I want to know something more about this. How does the information get into the hands of the US Consul? Is it given to US authorities by Govern-

ment."

UBP Senator Charles Collis said Government did not give the US Consulate information and the names on the Stop List were drawn from *Royal Gazette* court stories.

"I think that's rather risky," replied Senator Bean. "I think it's rather irresponsible if the US Government stops somebody going abroad because of what they read in *The Royal Gazette*."

UBP Senator Robert Barritt said the Stop List could create social problems in Bermuda.

"The alarming thing about the Stop List is that it is being added to each year," he said. "A hostile group is being created

within our shores and it's not totally our doing. We don't have any control over this right now and it's one of the things we have to look into."

According to the new Royal Commission report most of the names on the Stop List come from newspaper reports of criminal convictions.

"Most of the information used to compile the Stop List is obtained from reports on court cases printed in *The Royal Gazette*," it said. "Most are for drug related offences."

Last night a spokesman for the US Consulate said he would rather not comment on the matter until he had read a report of the Senate proceedings.

CSO: 3298/311

BERMUDA

REPERCUSSIONS FOLLOW EXPULSION OF PLP DISSIDENTS

Central Committee Action

Hamilton THE ROYAL GAZETTE in English 11 Dec 84 pp 1, 10

[Excerpts]

The Bermuda Progressive Labour Party last night announced the expulsion of six dissidents after months of a stormy leadership row.

The party's central committee voted by 21 votes to three to confirm a conference recommendation that the six be dismissed after they failed to acknowledge a disciplinary action.

Party spokesman Senator David Allen said: "In accordance with the decision of the annual delegates conference of the Bermuda Progressive Labour Party, the Central Committee tonight passed a motion to expell six members by a vote of more than two-thirds of the membership of the central committee."

He said the six members were expelled for actions inconsistent with the party constitution and party membership and that the expulsion took effect immediately.

The six former Progressive Labour Party dissidents now face an uncertain future following their expulsion from the party.

They are expected to appeal to a special delegates conference but they will have to do so as outcasts as their expulsion takes immediate effect.

The expulsions will reduce the number of PLP members in the House of Assembly to 10. The four dissident M's will take their places in the House as Independents this Friday.

The dissidents are left with only one course of action if they want to cling to their PLP connections — an appeal for a special delegates conference to hear their case. This is unlikely to be called, if at all, before the New Year.

The call for a special conference would have to go through the party's executive committee for constitutional approval.

Even if that were given there is a good chance that the conference would be made up of the same delegates that have already admonished the dissidents and conditionally ordered their expulsion.

Continued Internal Strife

Hamilton THE ROYAL GAZETTE in English 12 Dec 84 pp 1, 15

[Excerpts]

The Progressive Labour Party Members for Change (PLPMC) meet tonight to mobilise internal opposition to the party leadership following the expulsion of six leading party members.

Mrs. Kathleen Bell, a member of the group, said last night: "Up until this point we have been an ad hoc group formed because of what might happen to six valuable members of the group will ratify its position."

She was unable to estimate how many people might attend but said that it was likely that the six outcasts would be there.

In the wake of the expulsions, another dissident, Mr. Delano Ingham, yesterday resigned his positions as

deputy chairman of the Hamilton branch of the PLP and alternate representative to the central committee.

"I have supported the so-called dissidents and I now feel that I cannot support the leadership so I have resigned my official positions. I will remain a member of the party."

Word of tonight's meeting will come as bad news to the PLP establishment. Official party spokesman Senator David Allen expressed the hope that the United Bermuda Party's six-month "free ride" was now over.

Meanwhile the six men themselves responded to what they called their "un-constitutional" expulsion, accusing PLP leaders of denying them human rights.

Support for Dissidents

Hamilton THE ROYAL GAZETTE in English 13 Dec 84 pp 1, 11

[Excerpts]

Three Shadow Cabinet Ministers broke ranks yesterday to call for the reinstatement of the six men expelled from the Progressive Labour Party on Monday.

Shadow Minister of Tourism Mr. Stanley Morton described the expulsions as "shameful". Industry spokesman Mr. Reginald Burrows said he thought the six had been "badly treated" and Planning spokesman Mr. Walter Lister criticised the "ill handling" of the affair.

The MPs spoke out on the same day that the PLP Members for Change met to organise internal opposition to the leadership of Mrs. Lois Browne Evans following the expulsion of MPs Mr. Walter Brangman, Mr. Gilbert Darrell, Mr. Lionel Simmons and Mr. Austin Thomas and former election candidates Mr. Roger Russell and Mr. Calvin Smith.

And as the repercussions continued official PLP spokesman Senator David Allen claimed the expelled

MPs had already formed third party even if they had not found a name for it.

Senator Allen took the opportunity yesterday to claim that the four expelled MPs were not now independents but had effectively formed another party.

"Those MPs are acting as a facto political party. They are holding meetings together before Parliamentary sessions to discuss legislation. They are another party."

He also commented

on Mr. Delano Ingham's decision to resign his posts as deputy chairman of the PLP's Hamilton Branch and alternate representative on the central committee because he could no longer support the leadership.

He said that Mr. Ingham had voted in favour of the delegates motion which eventually lead to the expulsions.

"It is a study in contradiction that he should chose to resign now."

■ The head of the local Islamic community yesterday extended his support to the expelled dissidents and said he would urge Muslims to abstain from voting for candidates of either the PLP or the UBP.

Imam Khalid Abdul Wassi "invited" Messrs. Brangman, Darrell, Simmons and Thomas to remain in the House of Assembly as independents, "to strengthen the role of independent thinking within the present Parliamentary system".

The Imam said he thought it was high time to elect leaders who were "guided by their moral strength and convictions".

"We presently have a glaring display of the weakness within the Party structures which is evidenced on both sides, PLP and UBP," he said.

"We cannot afford to be lead by narrow Party views which are made even narrower by their own lack of internal democracy."

The Imam said he would be "encouraging" Muslims not to vote for candidates of either party".

"We invite other religious and non-religious organisations to advise the same to their members."

'Members for Change' Meeting

Hamilton THE ROYAL GAZETTE in English 14 Dec 84 p 1

[Text]

The group formed to support the six men expelled from the Progressive Labour Party (PLP) has appointed a committee to co-ordinate its efforts.

The PLP Members for Change, which wants a change of PLP leadership, met on Wednesday night and attracted more than 50 supporters as well as all six of the expelled men.

The meeting, chaired by one of the six, MP Mr. Gilbert Darrell, appointed a 10-man committee to co-ordinate its affairs and announced short and long term objectives.

Committee member Mrs. Kathleen Bell said the group wanted to see a PLP Government but to achieve that end wanted a change of leadership, a restructuring of the Party and a "fair, democratic constitution" put in place.

"The biggest challenge will be to undo the damage done to the Party by the current leadership group," she said.

All the dissidents — MPs Mr. Walter Brangman, Mr. Darrell, Mr. Lionel Simmons Mr. Austin Thomas, former election candidate Mr. Roger Russell and former MP Mr. Calvin Smith — attended to hear their supporters' views.

Mrs. Bell said the committee would meet this weekend to organise support for the six expelled members and to launch the campaign for a change of leadership.

Also on the committee are Mr. Delano Ingham, Mr. Skipper Ingham, Mr. Clyde Bassett and Mr. Charles Jeffers. Others prefer not to be named.

Mrs. Bell said that the six expelled men

would be canvassing the constituencies for support.

Another group is expected to seek out prominent PLP branch members seeking signatures supporting the six.

These signatures would be used to persuade the remaining MPs to urge Mrs. Browne Evans to step down and to allow the reinstatement of the rebels.

A number of those present at Wednesday's meeting wondered why they had not been disciplined by the Party for criticising the leadership.

Yesterday official PLP spokesman Senator David Allen was unable to say whether three more MPs who criticised the leadership on Wednesday would be disciplined.

He said: "I don't think that expulsions are something that anyone is ever happy about. But the delegates formed a compromise solution that was rejected by the former members.

"One has to bear in mind that the former members refused to accept any kind of Party authority."

Asked if their outbursts would earn the three MPs disciplinary action, Senator Allen said: "I cannot comment on whether there will be any action. I have no reaction on that."

Opposition Leader Mrs. Lois Browne Evans declined to comment yesterday but it is believed that she was not disturbed by the remarks made by Mr. Stanley Morton, Mr. Reginald Burrows and Mr. Walter Lister who described the expulsions as "shameful" and badly handled.

Parliament Seating

Hamilton THE ROYAL GAZETTE in English 15 Dec 84 pp 1, 5

[Article by Keith Blackmore]

[Excerpt]

The four MPs expelled by the Progressive Labour Party on Monday took their seats in the House of Assembly yesterday determined not to be labelled a third party.

But it may be that third party status is their best hope of wresting the mantle of Opposition leadership from Mrs. Lois Browne Evans.

Already the PLP has made it clear that it does regard Mr. Walter Brangman, Mr. Gilbert Darrell, Mr. Lionel Simmons and Mr. Austin Thomas as a "de facto" third party in all but name.

The four party exiles — who took their seats yesterday as Independents — draw support from the expanding ad hoc group, PLP Members for Change, which as its name suggests, has close ties to the party but which is identified with opposition to Mrs. Browne Evans.

They have said publicly that they hope reaction to their expulsion within the party will be sufficient to have them reinstated and will draw comfort from the fact that three of the remaining PLP MPs called this week for reinstatements while criticising the leadership's handling of the dispute.

But the issue that split the party and that still lurks below all the talk of human rights and freedom of speech, is the question of the party's leadership.

Resentment of Woman Leader

Hamilton THE ROYAL GAZETTE in English 19 Dec 84 p 1

[Excerpts]

One of the most controversial figures in the Progressive Labour Party yesterday claimed the party split had been caused by resentment at having a woman leader.

Pembroke branch chairman Mr. Donald Tuzo, who is known as a close and hard line supporter of PLP leader Mrs. Lois Browne Evans, said the six dissidents expelled last week had now got what they wanted and he did not foresee their reinstatement.

On Monday another branch chairman, Mr. Cecil Durham, of Smith's Parish, spoke out but he backed the dissidents.

"Most men sort of feel threatened by a woman be-

ing a leader," said Mr. Tuzo. "I find that most scared men who don't have confidence in themselves feel threatened by having a woman in charge. That is true of most of those who have gone to the Press and spoken about the leadership.

"They felt that their masculinity was being threatened and they set out to sabotage the party leadership."

Mr. Tuzo partially exempted MPs Mr. Walter Brangman and Mr. Lionel Simmons from his criticism. He still had respect and affection for both, he said, but felt the longer they had been associated with the dissident's cause the more involved they had become.

"I don't want to call any

names but I have seen some people who have done no work for the party for the last two general elections and they have set out to damage the party.

"It is a shame that they had to go to the Press to discuss what are private matters. They should have loyalty to the people of the party and respect for themselves.

"What they did was put their own personal affairs above the people, above the party and above the constitution. They should be cut away from the whole thing."

A spokesman for the dissidents said they would consider Mr. Tuzo's remarks before deciding whether to comment on them.

PLP Leader's Stand

Hamilton THE ROYAL GAZETTE in English 20 Dec 84 p 1

[Article by Keith Blackmore]

[Excerpts] Progressive Labour Party Leader Mrs Lois Browne Evans would have retired this year but for the dissidents' efforts to remove her.

Mrs Browne Evans told The Royal Gazette yesterday that she had intended to retire this year but had revised her plans following public criticism of her leadership by six party members.

"There has been a challenge to the authority of the central committee and the delegates conference which is the hierarchy of the party."

"I won't leave the party until it's restored to good health. I think I am a good doctor," she added.

Mrs. Browne Evans predicted that the six expelled men would struggle if they tried to become a third party, hinting that they might still be reinstated in the PLP if they toed the line.

She had experienced enormous public support during the past six months, she said, in the form of letters and kind words but she admitted that the party's image had not been enhanced by the "summer of discontent."

Dissident Attack on Evans

Hamilton THE ROYAL GAZETTE in English 21 Dec 84 p 1

[Text]

The six men expelled from the Progressive Labour Party claimed yesterday that Opposition Leader Mrs. Lois Browne Evans was incapable of leading her party to power.

* MPs Mr. Walter Brangman, Mr. Gilbert Darrell, Mr. Lionel Simmons, Mr. Austin Thomas and former PLP Parliamentary candidates Mr. Roger Russell and Mr. Calvin Smith issued a joint statement responding to remarks made by Mrs. Browne Evans in yesterday's *The Royal Gazette*.

They said that those remarks had clearly justified their concerns about her ability to lead the party to election victory.

"To win government the party must be able to harmonise the goals of people with differing points of view, to offer constructive long-term solutions to Bermuda's pressing social and economic problems, to provide an atmosphere in which social stability is nurtured; in short to put forward programmes which will ensure the continued prosperity and happiness of the people of Bermuda."

The six went on to say that the present party leadership had concentrated on constitutional issues instead of seeking such programmes.

They also took issue with Mrs. Browne Evans' charge that they had washed the party's dirty linen in public.

"If that dirty linen is our public expression of concern that she was unable to lead the party to victory, this was no more than the repeated comment of that seg-

ment of the community whose support the PLP needs to acquire in order to win the government.

"If 'Dr.' Browne Evans truly wishes to rebuild or restructure the party, why has she refused to see through to completion post mortems of past general elections?

"And if she had truly intended to retire from politics, why has she steadfastly refused to call a meeting of the elected Members of Parliament to discuss the leadership question?

"Despite the overwhelming evidence that our concerns were justified, despite testimony to the delegates conference, despite the fact that the majority of the MPs shared our view, despite the fact that the branches did not want their delegates expelled, despite all this the leadership paid no attention.

"In fact we were laughed at by some members of the annual delegates conference when we appeared before them and the resolution which resulted in our expulsion had been typed before we even appeared.

"Clearly a leader who cannot bring about a reconciliation between opposing factions of the PLP is not capable of resolving the great class, racial and ethnic differences dividing the country."

The six said they had been encouraged by the support they had received and intended to increase their efforts to provide Bermuda with "the kind of leadership it has a right to expect".

Analysis of Evans' Leadership

Hamilton THE WORKERS VOICE in English 23 Nov 84 pp 4, 6

[Alvin Williams column "The Other Alternative"]

[Text]

One of the many truisms that I believe has come out of what has been dubbed "the PLP summer of discontent", is the reality that an opportunity for dialogue and debate over the nature of the PLP and what it stands for has been missed.

Despite the best intentions of this year's delegates' conference (whose task was to resolve finally the difficult PLP "dissident" question, while at the same time preserving the sanctity of the Party's Constitution) the reasons for that revolt — the question of leadership — has not been resolved.

At the beginning of last summer, the differences within the PLP began to manifest themselves publicly. At that time, in answer to a letter to the editor in the Royal Gazette, written by one of the dissidents, I warned of the consequences of a bitter leadership struggle being fought in the open. At the same time, I called for a debate over the issues being raised by the dissidents.

I called the struggle "a palace revolt", at that point in time, because I believed the differences, such as they existed at their deepest point, were confined to some of the parliamentary group and a growing number of PLP supporters outside that group.

As the summer wore on, it became increasingly clear that there was the potential for interparty fratricide and widespread disaffection, not only with the continued leadership of Mrs. Lois Browne-Evans, but with the PLP as a whole, as Bermudians began to face increased strains from deteriorating living conditions focusing on housing and unemployment.

I must now be frank and say that, as the leadership struggle intensified, so the disaffection towards Mrs. Browne-Evans' leadership increased. (And the Royal Gazette's daily

news reports on it were like putting a match to dried grass).

The reasons for that disaffection (outside of the fact that the PLP was not the Government and could not really do anything about the general situation regarding Bermudians), were many and varied.

DICTATORIAL IMAGE

Some reasoned that Mrs Browne-Evans had been the leader too long and that's why the PLP has not become the Government. They looked at the many leadership changes in the UBP and said the PLP must do the same thing.

Some resented the fact that she is a woman, and thought a man should be leading the Party.

But the most telling criticism of her leadership was based on some of the unfortunate statements she had made herself, which have helped, in no small measure, to reinforce the dictatorial image of her leadership, seen by some party supporters.

Her statement, made just after the election in '83, pertaining to the possible change in leadership, was unfortunate. Though, at the time it was made, I tend to think it was inspired by pressures and the sure knowledge that the PLP had just suffered its greatest defeat and biggest political setback in its history.

Up to that point, the PLP had been making gains in every election, bar the one in the early seventies. Nevertheless, I found it hard to defend her statement around my working colleagues, who pointed to this as a reason why she should step down.

The other thing was the fact that she was the defence lawyer in the Marks' court case. (The Marks are a South African couple, living in Bermuda and the court case revolved a-

round the Marks' having brought in a black South African maid to work for them, in spite of the immigration laws of Bermuda. As it turned out, the maid later accused the Marks of treating her with all the hallmarks of white exploitation of black labour that takes place in South Africa.

Mrs. Browne-Evans has never shied away from controversial cases. That was made clear when, as her first case as a lawyer in Bermuda, she took on the defence of Bermudian Wendall Lightbourne, who was accused of the murder of a white woman.

I think it may have been more politically expedient for Mrs. Browne-Evans NOT to have taken on the Marks' case; especially as the Leader of a political party that has made its opposition to apartheid in South Africa quite clear.

Many have said it was a political blunder on her part, coming as it did at a time when the local Anti-Apartheid Group had succeeded in heightening the political consciousness of Bermudians (especially black Bermudians) to what is taking place in South Africa.

This reaction to Mrs. Browne-Evans is not without its paradox. For, while black Bermudians seem to be willing to penalize her for her defence of the Marks' case, the same people appear to ignore the fact that the UBP, under John Swan, refuses to break economic links with South Africa, and has allowed at least one South African-based exempt company to set up an office in Bermuda.

Just recently, premier John Swan flatly refused to condemn the visit of the South African prime minister to Britain. Such are the ironies of Bermudian politics!

A HEAVY HAND

In the final analysis, I would like to put forward this view of Mrs. Browne-Evans' leadership. I see it as having much in common with the leadership of the slain Indian leader, Mrs. Indira Gandhi. Both women have been strong women leaders in a world of men. It is clear that both developed strong political

bases within their respective political organisations, and both had the tendency to consolidate strong political support within those organisations, around their leadership.

It is with this fact in mind, that I would like to see Mrs. Browne-Evans avoid the mistakes made by Mrs. Gandhi.

As a political leader, Mrs. Gandhi had dealt with a heavy hand towards her political foes, both inside and outside of her government. It was this same heavy handedness that led to her worst political defeat (after she had tried, in the mid-seventies, to make herself absolute ruler, and when an Indian court had found her guilty of electoral corruption).

At that time, Mrs. Gandhi had declared a State of Emergency and had imprisoned thousands of opposition members, while at the same time changing the electoral laws, which she had infringed.

The Indian people soon tired of her dictatorial rule however and, at the next election, they threw her out of power, even putting her in jail for a short period.

But Mrs. Gandhi was able to make a remarkable comeback, because the government that replaced her turned out to be divided and ineffective. So the Indian people turned to her once again, for leadership.

However, she had not learned her lesson. She soon set about playing off one group against the other. At the same time, she consolidated her support around her leadership.

It was these political manipulations that led her to a final conflict with the Sikhs who, many said, she could have handled another way, rather than pushing them to the point where some of the most extreme among them had taken over their holy place, to press their claim for a separate state.

On her orders, the Indian army stormed the Sikh's Golden Temple, causing the death of thousands and creating much bitterness among the Sikhs, who saw the attack as a desecration of their most holy shrine.

I am not suggesting that we could see such outbreaks of political violence of that nature in Bermuda. But the tendency of small groups of people going off into a corner, to form their own political power blocs must stop, if we in the PLP are to regain unity.

It is significant to note that, of the 43% of Bermudians who voted for the PLP, just over 700 are card-carrying members, and a little under half that number are active members in their branches.

It is only with a massive input of a considerably greater number of that 43%, that support the PLP, that we can look forward to an end to small power blocs within the Party, and gain real unity and new blood in the leadership of the Party.

CSO: 3298/311

BERMUDA

WORKERS ORGAN HITS GOVERNMENT, SAYS CIVIL UNREST IS 'EXPECTED'

Hamilton THE WORKERS VOICE in English 7 Dec 84 pp 3, 4

[Alvin Williams column "The Other Alternative"]

[Text]

Now we come to the end of this momentous year, 1984. If ever there was a time that Bermudians should take a serious look at our country, this is it.

For, when reviewing the events of the past year, it is clear that Bermuda has arrived at a crossroads, in terms of its political, economic and social development.

This year, for the first time in Bermuda's history, perhaps since the end of slavery, we saw evidence of widespread homelessness among Bermudians, with increased numbers of families being forced to live in tents on our beaches — at least, in the summer months.

This has demonstrated quite clearly that, despite the home-building programme of the UBP Government, the prospect of a solution to this crisis is as far away as ever. And, as the UBP Government has come to terms with the political consequences of homeless Bermudians, it is now coming into conflict with the Bermuda National Trust, as the latter finally tries (too late in my opinion) to save some of Bermuda's open spaces

There is an increase in the area now available for the rental market, but Bermudian families, living at a lower wage rate, find they cannot meet the rental demands.

Because of this, increased political pressure is being put on the UBP Government to build more houses, despite their fears that the building of increased numbers of housing un-

its on their part may facilitate a process that will contribute to the creation of a housing glut on the rental market. Especially if there is a further slowing down of Bermuda's economy. This could set off a further economic crisis, as many Bermudians, who depend on the rental market to supplement their incomes, or to help pay off their houses, find themselves with units they cannot rent.

STRUCTURAL UNEMPLOYMENT

In the social area, this year we saw the final closing of Bermuda's only movie theatre and the collapse of the two TV stations. At the end of this year, a limited form of free television is back on the air. However, it is devoid of local programming or of children's programmes.

The strike at BBC in the early part of the year is pointed to as the cause of this state of affairs. But the truth is that the union-busting and monopolistic practices of the owners of the station are to blame.

Another economic manifestation that promises to have a great impact on Bermudians is the prospect of structural unemployment becoming a permanent reality of Bermudian life.

Bermudians, and particularly those in the hotel industry, have always suffered some form of limited unemployment in the slow periods — at the end of the tourist season. In recent years, these lay-off periods have become longer and longer, as the world has gone

through economic recession and the downturn has affected Bermuda's tourist industry. In addition to this, Bermuda has become one of the most expensive tourist destinations in the world and is losing its ability to compete with other tourist destinations.

Now, with the closure of at least one major hotel in the East end, for as long as 18 months, and the introduction of Club Med, which has said it would take half the present work force, employed under the previous company, we will have another contribution to structural unemployment.

In all Government's brave talk about Bermudians who are unemployed being able to find employment in other areas of Bermuda's economy, the following facts have been overlooked. These are that a) many hotel workers are women, so such jobs as may be available in the construction industry are out and b) the other main area where there might be economic growth is in the so-called "high-tech" area, and there are no signs of any large scale programme to re-train Bermudians for jobs in that area.

COLONIAL LINKS

This brings the focus on the foreign work force in Bermuda, which forms almost a quarter of the total work force.

Bermuda is a country that has developed its economy beyond the employment needs of its native population.

This might sound like an anomaly, in view of my previous statement about the possibility of structural unemployment among Bermudians. However, this can be explained, when one studies the nature of employment in Bermuda and the role that the foreign worker plays in Bermuda's economy.

Bermuda is not the only country that has a large foreign work force. It is, however, one of the very few countries in which the foreign work force constitutes almost a quarter of the entire work force.

It is the role that foreign work force plays and the impact it has on living space in Bermuda that is a cause for concern among Bermudians.

For, unlike all other countries, where the foreign worker finds employment on the lower rungs of the economy, in Bermuda, a significant number of the foreign workers are employed in the top echelons of the economy.

This is an outgrowth from Bermuda's racial past, when there was an open policy of putting white Bermudians and, when they ran out of local whites, foreign whites into positions of management in the economy. For it had never been the intention of the ruling whites to employ black Bermudians in the top positions. This idea was only floated around after black Bermudians partially succeeded in their struggle for human rights and equality.

Bermuda's colonial link has kept a steady stream of whites (in particular British citizens) coming to Bermuda to work — and very often to settle.

Many came as civil servants, policemen or teachers, or in the judiciary, and later made a transition into the private sector.

But this has not been the only consequence of having such a large foreign work force in Bermuda. A recent study, done by a Canadian professor, for the Bermuda government, reveals that 20% of Bermuda's housing stock is occupied by the foreign work force, who, in many cases, are enjoying higher wages than Bermudians. In addition, some foreign workers have their rents subsidized by the companies that employ them.

CIVIL UNREST

It is no wonder that the Government expects civil unrest and is preparing the Bermuda armed forces for confrontation in the streets of Bermuda. For, if there was ever a mix calculated to create social unrest, the economic policy of this country is it.

This was the gist of a recent speech made by premier John Swan to a group of Bermudian businessmen. He said they must be prepared to open up their business concerns to greater participation by Bermudians, in the decision-making and management areas.

My guess is that the Bermudian business community will not heed his pleas and that the revolution about which he speaks will in-

deed come about — but it will be a political revolution, rather than an intellectual one, as young Bermudians, after becoming trained, find their way barred to full participation in the Bermudian economy.

But that is not premier Swan's only concern. The long-awaited comeback of the UBP right wing is beginning to become a reality. The UBP right wing, led by such politicians as Harry Viera, has been biding its time. While all the attention has been focused on the PLP and its dissidents, the UBP dissidents have been gathering strength and may now feel that the PLP in its weakened state no longer poses a threat. Now its the turn of the UBP right wing to move.

A re-awakened UBP right wing in control of Government would be a grave threat to the workers of this country. Remember, the UBP right wing brought us to May 1981.

Premier Swan might call another snap election — but not to finally bury the PLP. Rather to strengthen Swanism, now under threat within his own Party.

Whichever way it goes, it is clear that those of us who support the BIU and the PLP had better rally round those organisations and be ready for greater political struggles.

For the increased housing and unemployment problems hitting us are a sure sign that, more than any other group in Bermuda's society, the workers of this country are now faced with the question of their survival in a future Bermuda.

BERMUDA

UNION HAILS NEW PACT, HOPES FOR IMPROVED RELATIONS IN '85

Membership Increase

Hamilton THE ROYAL GAZETTE in English 24 Dec 84 p 1

[Text]

Union chiefs were this weekend pronouncing a major breakthrough in their fight against dwindling membership.

The BIU celebration was prompted when workers at a leading construction company finally gave in to two years of pressure and agreed to join up, providing the first real high note in what has been a disastrous year for the BIU.

The 100 workers from Forth-Ryco, the building firm on the massive Castle Harbour Hotel job, signed the deal last week. Their move comes after two years of union efforts to woo them.

The men voted overwhelmingly in favour of the union as their bargaining agent, and officials were clearly delighted to put the new names on their books.

Membership desperately needed bolstering after hundreds of members were lost in this year's hotel lay-offs and BBC redundancies.

The actual number of new members attracted in the deal could swell to 200-plus when the company gets into full swing with the \$10 million Castle Harbour renovation and other major projects.

BIU president Mr. Ottiwell Simmons MP said: "We are very pleased about it. We have been taking hard knocks lately, and this is compensating for that in terms of encouragement.

"It was pretty rough for a bit there."

He said the BIU membership now stood at 6,000.

A newly-optimistic Mr. Simmons added: "We have had a fair amount of success this year in spite of the setbacks."

This statement contrasted with his Christmas message to members where he talked about "a generally depressing 1984".

His message went on: "Therefore, 1984 has not been a very good year for members of the BIU, and 1985 holds very little promise of being much better."

He said this was the time of year when union members should reflect on the past year and learn from their mistakes, but he added: "...many of the mistakes in 1984 which had a direct adverse affect on us were not of our making."

He cited the PLP split, the controversial extra payments to the Attorney General, the fizzling out of the "expensive and futile" 375th anniversary celebration and the closure of large hotels as examples of such mistakes.

Mr. Simmons said: "There are many other instances of lack of interest on the part of our elected representatives and members of the private sector which have served to make our lives more difficult and put financial pressure on those least able to bear it."

He added: "We can console ourselves that the BIU continues to be a powerful and active organisation in our society, but we must prepare ourselves for actions and legislation in the coming year, which will

inevitably follow on the warnings of belt-tightening issued by the Minister of Finance."

Meanwhile, last night, Mr. Terry Brannon, chairman of Forth-Ryco, said he believed the unionisation of his company to be a good thing.

"I have always dealt with the union in my other business affairs," he said. "If the people wish the union to represent them, I think it is good because I think the union will represent them well.

"It should make for smooth-running on the job at Castle Harbour, which has to be done at a quick speed so we can get all the hundreds of hotel workers, who are currently laid off, back to work and the economy going, again."

Simmons Call

Hamilton THE ROYAL GAZETTE in English 3 Jan 85 pp 1, 2

[Text]

Industrial relations in 1985 will improve if there is more consistent consultation between employers and workers, Mr. Ottiwell Simmons MP, president of the Bermuda Industrial Union, said yesterday.

Mr. Simmons also said relations will improve if the government and employers are more willing to allow industrial disputes to go to arbitration and if the Human Rights Commission is expanded.

Mr. Simmons was responding to the year-end statement by the Bermuda Employers' Council which said a return to adversarial and strike mentalities had damaged industrial relations in 1984.

He criticised that statement as valueless for offering no helpful guidelines to improve the labour situation.

Mr. Simmons said employers can improve relations with their workers by using more often the joint consultation clause in every union agreement.

"The clause is designed to be a buffer during the life of any agreement whereby issues can be discussed in an amicable atmosphere rather than letting things accumulate and be blown out of proportion.

"The union is not simply blaming the employers for non-consultation," he said. "We have to move in that direction as well."

Mr. Simmons also said the government and employers should be more willing to let disputes go to arbitration. He said it was like pulling teeth to get the government moving on arbitration settlements, even when the employer and employees were in agreement on that course of settlement.

He thought the government should establish a professional arbitration service because the present set-up is inadequate.

"There is no arbitrator specialist on the island," he said. "If arbitration is going to be respected by the community then the government should go all out to guarantee professional services."

He added that any overhaul of the system should include the establishment of procedures to make access to arbitration more comfortable and easy for the parties involved.

"Invariably, it is a big struggle to get employers and the government to agree on arbitration."

One way to improve industrial relations in 1985, Mr. Simmons said, is to hire more permanent staff for the Human Rights Commission

so it can handle grievances promptly and effectively. He attributed the Commission's apparent inactivity on some of the complaints to the fact that it has no full-time Commissioners and only one executive officer and one secretary.

"We've got to have more people on the Commission with more time," he said. "If inaction continues on human rights complaints then the frustrations experienced in 1984 are likely to continue."

Mr. Simmons criticised the implication in the Council's statement that trade unions were responsible for conflict and confrontation in 1984.

"It is a classical argument for the employer to suggest that unions are responsible for conflict," he said. "Confrontation takes two to tango. Here, it seems, employers and the union have to examine themselves."

He said the council's call for an end to conflict in industrial relations was meaningless because conflict is endemic to the capitalist system.

"Employers are interested in profits and workers are interested in improving their living standards and work conditions," he said. "That is an innate and unavoidable source of conflict. If the Council can come up with a system within the capitalist system that completely avoids conflict and adversarial attitudes then we've got a system that is new and unique and would be copied and borrowed throughout the world."

Mr. Simmons said the reduction of the Bermuda Broadcasting Corporation's work force by 50 percent last year to turn its poor financial situation around is an example of the capitalistic conflict between worker and employer.

BERMUDA

SPECULATION SURFACES AGAIN INVOLVING GENERAL ELECTION

Hamilton THE ROYAL GAZETTE in English 2 Jan 85 p 2

[Text]

Election fever started afresh this week when it was learned that the United Bermuda Party had commissioned a national poll to determine the political climate of the country.

UBP executive officer Mr. Ed Williams confirmed yesterday that the three-day poll would begin on January 8, and be carried out by US pollsters Penn & Schoen Associates.

But Premier the Hon. John Swan would not be drawn on the question of a general election — first mooted late last year but quickly discounted by political pundits.

"I'll keep my options open," was all Mr. Swan would say yesterday. "The poll is being done to assess where we stand at the present time.

"It is being carried out to determine just how the public perceives us in light of the past year and Government programmes already set in place."

Only several weeks ago Mr. Swan was reported to be taking soundings about an early election, primarily in the hopes of capitalising on the disarray of the Progressive Labour Party.

But those early signs were quickly discounted, especially in light of the resignation of Mr. Swan's right hand man, Mr. Raj Nadarajah.

And in the days leading to Christmas the conventional wisdom held that Mr. Swan would instead be content to wait for at least another two years before going to the polls.

That view has once again become clouded with the news that an opinion poll was being carried out by the UBP.

Indeed, the argument calling for an election was further strengthened when there was no major shake-up in the Government boards announced over the weekend.

It had been widely expected that Mr. Harry Cox would be ousted from the Tourist Board after falling out of step with Government by criticising proposed changes to Government's marketing strategy.

But Mr. Cox was reappointed to the Tourism Board, possibly because it was felt he could do more damage to the Government in an election run-up should he be fired from the Board entirely and be free to criticise Government openly.

Instead, Mr. Cox was reluctant to say anything beyond confirming he had recently met with Tourism Minister the Hon. Irving Pearman. And he added: "That's all I would like to say at this time."

Mr. Williams insisted yesterday that the UBP poll being carried out next week was just the latest in a long string of polls designed to track public opinion. The last had been taken in September, 1984.

"We're having the first poll of the year," said Mr. Williams. "It's just the traditional poll seeking to determine the political climate out there. It's the same poll we've been using for years."

Mr. Williams conceded that whenever a poll was to be carried out, speculation mounted on whether the UBP Government would call an election. But he dismissed the idea as just that — speculation.

"As far as I know, there is no discussion about a general election," said Mr. Williams. "There are still another three years left for this Government."

BERMUDA

COMMERCIAL BANK RELEASES ANNUAL REPORT FOR 1984

Hamilton THE ROYAL GAZETTE in English 20 Dec 84 p 17

[Text]

Profits of Bermuda Commercial Bank managed to hold their own this year despite generally poorer trading conditions, according to the bank's 1984 annual report released this week.

Net income for the year to September 30 fell marginally to \$656,124 against \$659,564 for 1983 — the year profits suffered an unprecedented reverse from a \$1.1 million high in 1982.

Earnings per share fell one cent to \$2.19.

But the bank, which recently changed its name from Bermuda Provident, describes the result as satisfactory, given the lower level of US and UK interest rates in the earlier part of the year.

The report shows gross interest income was off \$2.2 million at \$27 million while fee revenues and exchange earnings remained flat at \$967,813 and \$1.1 million respectively.

Expenses rose almost \$2 million to \$28.4 million.

Balance sheet assets, however, displayed modest growth climbing more than \$30 million to \$293.4 million.

The profit figures are broadly in line with those of Commercial's competitors which three months ago unveiled 1984 results showing they had been unable to improve earnings. Butterfield's remained flat while Bank of Bermuda profits tumbled 38 percent.

Bermuda Commercial's report says both its Somers Mortgage and Finance and International Trust Company subsidiaries turned in good results for the year.

But it warns: "We must reiterate that the need for mortgage finance is unlikely to be fully satisfied in Bermuda unless the authorities introduce differential interest rates for long term investors and home buyers."

The report notes that the strength of the US dollar has damaged the Island's tourist industry and that cutbacks

have affected international businesses here.

But Bermuda Commercial is clearly hoping to improve its share of banking service revenues in Bermuda and has set up a new department to develop new business.

Says the report: "The development of new business, both here and abroad, takes up much of management's time and, in recognition of its importance, a new department has been created which will concentrate specifically on business development and marketing of the group's services. Banking is one of Bermuda's major industries. The quality of service must be of the highest calibre if we are to remain competitive."

Major highlights of the report include:

- Dividends — maintained at \$300,000.
- Salaries — up more than \$145,000 at \$2.2 million.
- Loans — up almost \$3 million at \$16.5 million.
- Term deposits — up \$24 million at \$259.8 million.

CSO: 3298/312

BERMUDA

BRIEFS

NEW CID CHIEF--Police yesterday announced that Governor Viscount Dunrossil has approved the promotion of two senior officers from January 1, one to lead the CID. Chief Inspector Lawrence Jackson--who has served on the Police force for 23 years--will be promoted to Acting Superintendent 'C' (Crime). He will assume control of the activities of all detectives at the start of a pre-retirement leave of Supereintendent John Sheehy. Chief Inspector Jackson is currently in charge of Central CID, based at Hamilton Police Station. The 48-year-old has been on several overseas training courses, and has been commended on four occasions. Detective Inspector George Rose, 41, who has been with the force for 21 years, will be promoted to Chief Inspector and will take over running Central CID. He was promoted to Detective Inspector on July 1, 1978, and has served in CID for 18 years. Det Insp Rose has seven commendations, and attended the FBI National Academy where he received a diploma in Police management and administration. [Text] [Hamilton THE ROYAL GAZETTE in English 29 Dec 84 p 1]

FALL IN INFLATION--Inflation fell below five percent for the first time in recent history in the year to October, according to latest Government figures, but Finance Minister the Hon Clarence James warned against complacency. Commenting on the retail price index statistics, Dr James said: "I am pleased, but the low inflation rate doesn't obviate the need for moderation in prices and moderation in wage settlements." He pointed out that prices for imported goods were rising by only about three percent so the 4.8 percent overall figure still meant there was a degree of locally generated inflation. The new rate compares with the 5.2 percent figure for the year to September. During October, the index rose 0.1 percent from 178.1 to 178.3. The food index fell 0.2 percent as higher prices for pork chops, fish, ice cream, eggs and potatoes were offset by lower prices for beef, butter, sugar, onions and tomatoes. The fuel and power index fell 1.7 percent as increased gas prices were more than offset by falling electricity prices. Rent was up 0.4 percent, clothing and footwear 0.3, household appliances and services 0.2, transport and vehicles 0.1, education, recreation and reading 0.4, and health and personal care 0.4, while the tobacco and liquor index was unchanged. [Text] [Hamilton THE ROYAL GAZETTE in English 8 Dec 84 p 1]

CSO: 3298/312

EL SALVADOR

PDC NAMES NEW CANDIDATES, EHRLICH FOR MAYOR

San Salvador LA PRENSE GRAFICA in Spanish 17 Jan 85 pp 3, 23

[Text] With the attendance of delegates from throughout the country, the PDC held a special national convention yesterday in which they replaced the candidates for first deputy of San Salvador and San Vicente departments.

It was reported that Dr Jose Antonio Morales Ehrlich, who has been first candidate for deputy in San Salvador department, was replaced by Dr Guillermo Antonio Guevara Lacayo, and consequently, the vacancy opened by the latter was occupied by Atilio Vieytes as second deputy for San Salvador.

The first deputy position for San Vicente was given to Juan de Dios Mira, but by special agreement held in the San Vicente Departmental Convention, Mr Mira declined the first candidacy, so it was given to Dr Reynaldo Conrado Lazo. Felipe Candido Romero was named the second deputy for San Vicente, and agronomist Ernesto Ismael Pineda Climaco was named third deputy.

The PDC stated that following the aforementioned changes to the ballot list, the conventioners were informed that Dr Morales Ehrlich was being presented as the candidate for mayor of San Salvador. He was immediately approved by the national convention and it was said that the official acclamation of Dr Morales Ehrlich would take place next Saturday during the municipal convention to be held on the 19th at the PDC headquarters.

The National Convention was presided over by Jose Alejandro Duarte, with Roberto Viera as secretary.

During the convention session, Ehrlich spoke as PDC secretary general, analyzing the political situation of the country and stressing the need to obtain a majority in the Legislative Assembly to help Duarte develop a governmental program that benefits Salvadorans.

CSO: 3248/218

GUATEMALA

NEW CONSUMER PROTECTION LAW TO CONTROL PRICE INCREASES

Guatemala City EL GRAFICO in Spanish 16 Jan 85 p 4

[Text] The government, through the Ministry of Economy, today issued the decree law 1-85 that contains the "Law of Consumer Protection" and repeals the legislative decrees 90, 577, 1074, and 82-83 which make up the National Emergency Law and its reforms.

The new law considers that it is urgent to prescribe the appropriate measures to control and avoid the excessive increase that has occurred in the prices of essential goods and services for large sectors of the country's population that seriously affects family budgets.

Article 1 of the law establishes that its goal is also to establish economic crimes and their corresponding penalties.

Article 2 fixes its range of application to all individuals or legal persons that commit acts of speculation, hoarding, excessive price raising, variation in weight, quantity, or quality of essential goods and services.

Article 3 specifies 11 economic crimes, in the following order.

1. Increase in prices of goods which are regulated by the state;
2. Excessive increase in prices of essential goods;
3. Unauthorized increase of tariffs, fees, or prices of public services;
4. Hoarding, withholding, or refusing to sell essential goods to provoke a price increase or artificial scarcity of these goods in the internal market;
5. All acts or procedures which alter or have the object of altering the weight, quantity, or quality of these goods,
6. All acts or procedures which deceive or have the object of deceiving consumers concerning the price, quality, weight, or quantity of a good or service,
7. All acts or procedures which prevent or have the object of preventing open competition in the production and marketing of essential goods,

8. All acts or procedures that limit, obstruct or prevent the production or marketing of goods and services, to provoke scarcity, shortages or withholdings,

9. All acts which imply a refusal to supply the information established by law,

10. All individual acts or agreements arranged between natural or legal persons tending to limit the production, preparation, or marketing of essential goods, with the object of raising the prices;

11. The exportation of goods necessary for the wellbeing of the population or for the countrys' productive activity, without license from the qualified authority, when said license is required by law.

Article 4 establishes the penalties that will be applied for these offenses. These penalties will be:

1. The first time, a fine of up to half a million quetzales, which will be assessed in accordance with the volume of operations or the economic capacity of the establishment of profit-making activity;

2. The second time, double the fine and temporary closure of the business for a period of 8 to 30 calendar days,

3. The third time, definitive closure, cancellation of license and sentence of 6 months to 3 years. The Mercantile Registry will be informed of the license cancellation.

Besides the penalties imposed, the establishment's and proprietor's names will be published in the media.

In addition, if the individual or legal person had the right to foreign currency for essential payments, the Bank of Guatemala, at the request of the qualified authority, could suspend that right to their use in that establishment or profit-making activity.

The penalties will be imposed by the Ministry of Economy or by the respective minister of state, except the prison sentences. The fines cannot be lowered nor excused for any reason.

CSO: 3248/222

GUYANA

PRC ENVOY TOLD NATION COMMITTED TO COOPERATIVE SOCIALISM

Georgetown GUYANA CHRONICLE in English 14 Dec 84 p 5

[Text] Guyana is committed to a national policy of cooperative socialism, a natural extension of which is the establishment and maintenance of fraternal relations with all Socialist States, and all peace-loving and progressive peoples, Vice-President and First Deputy Prime Minister Hamilton Green said Wednesday.

He was replying to the accreditation speech of China's new Ambassador to Guyana Ni Zhengjian. Cde Green also received the letters of credence (at separate accreditation ceremonies) of Bulgarian Ambassador Dimitru Traikov and Dutch ambassador Dirk Van Houten on Wednesday at the Presidential Complex.

Distance is no impediment to the forging of meaningful political and economic ties, Cde Green told ambassador Ni, adding that like China, Guyana is determined to work towards 'a peaceful, secure and independent existence' for all mankind.

Guyana, as a member of the Non-Aligned Movement and the United Nations, is committed to the 'observance and defence' of 'sovereign equality and non-intervention in the internal affairs of States,' he told the Bulgarian envoy.

"The respect for international principles is a sure guarantee of peace and stability in the troubled times of today," he added.

To all three envoys he expressed Guyana's willingness to strengthen relations with their respective countries. Cde Green noted that President Forbes Burnham's visit to Bulgaria and China in June this year contributed significantly to promoting cooperation between Guyana and these two countries.

In their accreditation speeches, both the Chinese and Bulgarian Ambassadors noted Guyana's positive participation in the Non-Aligned Movement, as well as its anti-imperialist and anti-colonialist stand.

Chinese Ambassador Ni also observed that since independence in 1966, Guyana had achieved "gratifying successes in maintaining State sovereignty, developing the national economy and raising the people's living standard."

In international affairs, Guyana, he added, 'has made a positive contribution to the Non-Aligned Movement and the just cause of supporting the people of various countries in opposing imperialism and colonialism and seeking ways to establish the New International Economic Order, promoting South-South cooperation and North-South dialogue and pushing ahead with the regional integration of the Caribbean.'

Declaring that China has all along cherished its friendship and cooperation with Guyana, Ambassador Ni said his country is ready to explore 'new ways to carry on our friendly cooperation in the economic, trade, cultural and scientific-technological fields.'

Bulgarian Ambassador Traikov, in his speech, pointed out that although relations between Guyana and Bulgaria were now beginning 'conditions favour the expansion and solidification of our cooperation in the political, economic and cultural areas.'

The people of Bulgaria, he explained, are 'firmly convinced that peace is the most vital human need.' Guyana and Bulgaria have agreed to work 'energetically with all progressive and peaceful world forces in the struggle to remove the threat of war, the strengthening of peace and world security, and for the understanding and mutual aid between nations,' he added.

Meanwhile, the Dutch Ambassador Dirk Van Houten has said there is eminent scope for maintaining and strengthening relations between Guyana and his country. (GNA)

CSO: 3298/332

GUYANA

VISITING PRC VICE MINISTER OF FOREIGN AFFAIRS OPENS TALKS

Georgetown GUYANA CHRONICLE in English 15 Dec 84 p 8

[Text] Discussions between the visiting Chinese Vice Minister Han Xu and other officials and Foreign Affairs Minister Rashleigh Jackson open this morning. Cde Han will meet Head of the Department of International Economic Co-operation Winston Murray on Monday afternoon to review economic co-operation between Guyana and China.

Relations between the two countries have been steadily expanding, following President Forbes Burnham's visit to Beijing in June this year. Guyana and China this week agreed to examine the possibility of co-operating in furniture production and wood processing.

The Chinese are also helping to set up a duck farm at MARDS. Several other possible areas of co-operation, including further assistance for the Sanata Textile Mill, are under consideration.

Tomorrow the Vice-Minister of Foreign Affairs will attend the rally at the Guyana Glass Works Limited at Yarowkabra. The rally is part of celebrations for the 20th anniversary of the People's National Congress (PNC) in Government. On Monday, he will tour the Women's Revolutionary Socialist Movement's (WRSM) ceramics factory, Vanceram, at Coverden, East Bank Demerara.

Permanent Secretary in the Foreign Affairs Ministry Dennis Gouviea met the Chinese Vice Foreign Minister at Timehri International Airport last evening. Accompanying Cde Han is the Deputy Director of the Department of Americas and Oceania in the Chinese Foreign Ministry Shen Yunao, and Qui Shengshui, Third Secretary of the General Office in the same Ministry. (GNA)

CSO: 3298/332

GUYANA

ARGENTINA TO HELP BUILD PHARMACEUTICAL PLANT

Georgetown GUYANA CHRONICLE in English 14 Dec 84 p 8

[Text] Engineers of the Guyana Pharmaceutical Corporation (GPC) and representatives of the Argentine firm "Tecno Bago" are currently discussing construction of a pharmaceutical factory at Farm, East Bank, Demerara.

Construction of the pharmaceutical factory, to be financed through a five million (US) dollar loan from the Argentine Government, is expected to take two years, beginning in April 1985.

GPC's Executive Chairman, Wilfred Lee said Wednesday the factory is "very necessary for GPC because of the fire two years ago." Since that fire at GPC's La Penitence site, the corporation's pharmaceutical operations have been severely curtailed.

The new factory, Cde Lee explained, "will have the latest technology, will satisfy good manufacturing practice...and will help GPC become a more viable entity."

Tablets, capsules, injectable ampoules, ophthalmic drops, creams and ointments, suspensions and syrups, suppositories and intravenous solutions are among items to be produced at the factory.

Production levels are expected to be high enough to fulfill both local demands and export to the Caribbean, Cde Lee said.

The contract between GPC and Tecno Bago was finalised in September this year when a Guyanese team led by Ambassador Hubert Jack visited Buenos Aires. A banking agreement between the Banks of Guyana and Argentina was also signed at the same time by Bank of Guyana Governor Pat Matthews. The loan will be repaid over a 10-year period beginning after the completion of the factory.

Tecno Bago will supervise the construction works to be carried out by a local firm. This firm is still to be identified.

The current meeting between BPC engineers and a three-member delegation from Tecno Bago led by General Manager Luis de la Fuente is the first technical meeting of the project. Guyanese officials are expected to travel to Buenos Aires early next year for further discussions. (GNA)

GUYANA

SEIZED CONTRABAND GOODS BEING OFFERED FOR SALE TO PUBLIC

Georgetown GUYANA CHRONICLE in English 14 Dec 84 pp 1, 3

[Article by Narmala Shewcharran]

[Text] Contraband goods valued at some five million dollars on the parallel market, which have been seized by the Police and the Customs and Excise Departments, are being channelled to corporations for sale to the public, Comptroller of Customs, Paul Burnett disclosed yesterday.

The Comptroller and Assistant Comptroller, Allan Christopher, jointly interviewed by the "Chronicle," said that the release of the seized goods began last week.

Since the joint campaign by the Police and Customs was intensified last month, investigations have led to fines being imposed on over 200 persons, Cde Christopher said.

Cde Burnett pointed out that a number of matters involving some "big ones"--"big businessmen"--are still under investigation. This means that goods seized from those persons are still being held.

Apart from the yields of the joint campaign, other seized contraband goods and fines imposed for the year amounted to nearly two million dollars.

The Comptroller revealed that only Wednesday, one defendant paid \$90 000 to the Department, three times the value of contraband goods which had been seized from him.

He emphasised that the current campaign will "continue as long as it is necessary."

But he pointed out that it was just not a question of the Police and Customs officials going to people and seizing their goods indiscriminately.

Persons found with goods suspected to be contraband were questioned. If they failed to produce the relevant documents, the goods were then seized. If subsequent investigations supported the seizure, the contraveners and their goods were dealt with according to regulations.

The Comptroller noted that the current campaign was launched after consideration of intelligence gathered in recent months.

He pointed out that the Department was now in the process of building an enforcement branch.

The Customs Department, he said, has been seriously handicapped in its bid to contain smuggling, by lack of material resources, adding that if they had the type of patrol boat needed among other factors "we can virtually seal the entire coastland in less than six months."

In giving a breakdown of figures about smuggling he contended that not less than one million dollars worth of goods come into the country weekly and that during a month as much as five million

dollars worth of goods may be chartered here.

These goods fetch ten times the value on the Parallel market.

He explained further: "People have always thought that everything comes through Timehri, but what comes through there is only one per cent of the booty...just the tip of the iceberg. No less than \$300 000 worth of goods are brought through the coastlands every week.

"Timehri is a highly visible point so people focus on Timehri. The tragedy about it is that if things can come in through one route undetected, things can go out through that same route."

The Department, with the help of the Police will continue to intensify its efforts to curb smuggling.

CSO: 3298/332

GUYANA

MINISTER OF HOME AFFAIRS CALLS FOR POLICE VIGILANCE

Georgetown GUYANA CHRONICLE in English 14 Dec 84 p 5

[Text]

MINISTER of Home Affairs, Cde Jeffrey Thomas on Wednesday called on members of the Joint Services, City and Guyana Constabularies and the National Guard Service to be "very vigilant and resourceful" since members of the community will be expecting a lot from them.

The Minister was speaking at the passing out parade of the Eighth Junior Officers' Course held at the Tactical Services Unit Square, Eve Leary.

Cde. Thomas told the 32 participants present that the training they underwent was of a multilateral nature aimed at helping them perform leadership roles in their communities.

Observing that the programme has been able to attract people from other countries (Grenada this time) over the years because of its high standard, the Minister

said that the participants must recognise that every day "we in Guyana are faced with new challenges and should be prepared to meet those challenges."

"Every day some people question the role of the Police Force, and Police Officers and members of the other ranks should live up to what is expected of them." He said the participants should ask themselves whether the course helped them to be better persons and if they were prepared to rededicate their efforts to the community from which they came and to which they were returning.

"Some feel that the policeman is one they can do without but others recognise the role they have to play so you must rise up to the difficult task ahead," he urged the officers.

The Grenadian among the course participants could not wait for Wednesday's passing out.

CSO: 3298/332

GUYANA

NATIONAL REGISTRATION EXERCISE SHOWS 'GOOD RESULT'

Georgetown SUNDAY CHRONICLE in English 16 Dec 84 p 13

[Text]

COMMISSIONER of Registration Roy Hammond has reported "very good response" by eligible Guyanese to the current National Registration exercise. The exercise, now ending its second week, is being carried out on a house-to-house basis countrywide by more than 900-trained divisional registrars.

Registrars have generally been performing well in the task of registering citizens, Cde. Hammond said. Many registrars, he explained, have been surpassing the expected average of about 15 completed registrations per day, reaching as high as 35 and 40 per day.

He said the best results have so far been achieved in built-up areas of Linden, the housing schemes in Georgetown, and on the Corentyne.

All Guyanese who will have attained the age of 14 years and over at December 31, 1985, are eligible for registration. Registration officials stress the importance of registration, both for persons who have never been registered and those previously registered.

Registrars have been explaining, on the house-to-house visits the need for

previously registered persons to co-operate in the current exercise, as there seemed to be some misunderstanding.

Cde. Hammond said that to ensure a previously registered person is still accurately represented in the registration record, a new form requiring such particulars as were listed at the previous registration, has to be completed.

This "re-registration", Cde. Hammond stressed, is a form of "verifying and purifying" the official records and of ensuring persons are not inconvenienced by national identification cards which do not reflect changes in their personal particulars.

The National Registration Office hopes to begin issuing new or adjusted national identification cards by March, next year. The current registration continues until February 28, 1985. Registrars make house-to-house visits mainly during the afternoon period of 14:00 hrs. to 20:00 hrs. They have been issued with official identification.

Some registrars have also been working for longer hours on Saturdays and Sundays. Overseas registration of non-resident Guyanese and non-residents married to Guyanese will begin January 2, 1985, through established offices abroad.

-(GNA)

CSO: 3298/332

GUYANA

VARIOUS SERVICES HELP TO DEFEND, DEVELOP COUNTRY

Georgetown SUNDAY CHRONICLE in English 16 Dec 84 p VII.

[Text] Defence and development constitute the twin pillars on which the disciplined services operating in Guyana today were built. They play a major role in keeping our sovereignty intact, ensuring our territorial integrity and in defending the gains of our revolution.

The members of these services involve themselves in community work and assist in the nation's drive for self-sufficiency in food. And it is evident today that under the guidance and direction of the Guyana Government, they have played their roles well. This is indeed an achievement of which the nation can be justifiably proud.

It is an indisputable fact that the Guyanese army has already been developed into a "People's Army." The ranks of the army are from the people and they can be found throughout the country working in tandem with community and regional objectives.

Formed in 1965, the People's Army has as its motto, "Produce for Defence." This concept is based on the notion that the surest method of preserving our independence as a nation and to maintain dignity and sovereignty is through a concentration on, and intensification of the production activity aimed at self reliance.

Security

This concept in part seeks to fulfill a defence and development programme articulated by Party Leader Cde LFS Burnham earlier this year. He described this strategy as "Defence in Depth." This represents a methodological approach to be embraced by all the disciplined services to ensure the security of the nation.

Apart from the Police Force, which is responsible for internal security and ensuring the maintenance of law and order and which is the forerunner of the other disciplined services, the Guyana Defence Force has served as the point from which all the other armed forces were inspired.

In addition to inspiring the creation and indeed providing the initial guidance and hardware to them the Guyana Defence Force itself has shown considerable improvement over the years.

Today this army boasts of a marine wing, an air wing, an engineering command, an agriculture section, a large concentration of women's ranks, medical units and the regular infantry command among others.

The second major disciplined service to be established was the Guyana National Service (GNS). This notable achievement represents the manifestation of one of Comrade Leader's visions. It is indicative of a foresight only few possess and he staked his political reputation on the establishment of the Guyana National Service.

In terms of our concept of defence, this para-military organisation ranks as the most exemplary. It is the main supplier of livestock-based protein, legumes and ground vegetables to a number of important national institutions including the Teachers' Training Colleges and the hospitals.

The service is so far the only producer of cotton in this country and its cotton producing potential inspired the establishment of a textile mill with the assistance of the Chinese people. It takes its productive role very seriously and it now operates a wood products complex at Konawaruk, an agriculture complex at Kimbia and a major training complex at Papaya in the North West District. The Guyana National Service also has a Wallaba Products Unit which produces wallaba posts and shingles.

Reservists were banded together in the next phase of development in the military sphere to form the Guyana People's Militia on December 1, 1976. This service provides for the most sensible nationalisation of resources and allows for the simultaneous pursuit of both defence and production by the same set of manpower and skills.

Infused

The other services, the Police Force, the Fire Service and the Prison Service are all being infused with the spirit and drive towards constructive and productive agricultural, technical and community development work with a co-operative outlook. And over the years, these organisations have been able to record a number of gains in these very areas because of the direction and encouragement of the Party and Government.

What has been internalised by the Disciplined Services over the years as they worked together with the People's National Congress for the nation's development is that the nation's defence programmes and preparations must progressively evolve into a total involvement of the people in the defence of the people's gains and in defence of the unity and co-operation recorded by the Guyanese nation.

"Ours" the Comrade Leader said ten years ago in the historic Declaration of Sophia, "is a war. It may not involve the clash of arms and the unleashing of weapons of destruction. But it is still a vital struggle, one against poverty, ignorance, unemployment, hunger and exploitation, and we cannot afford the luxury of having uninvolved citizens, especially youth, who seek to get and not to give."

CSO: 3298/332

PNC MARKS 20TH YEAR IN POWER, REVIEWS ACCOMPLISHMENTS

Growing Strength of Party

Georgetown NEW NATION in English 16 Dec 84 p 3

[Text]

IN 1964 an historic and momentous chapter unfolded in the history of Guyana, when the People's National Congress took up one of its greatest challenges and guided this once battered British colony to political independence.

Since then, this country under the astute leadership of the PNC achieved independence in 1966 and later established the first Co-operative Republic in the world.

Guyana, just before the PNC assumed office, was a country rife with civil disturbances, economic chaos, and massive social lethargy.

The People's Progressive Party headed by Dr. Cheddi Jagan, had failed to heal the prolonged wounds and curb the national unrest created by the colonial powers and other Western allies.

Significantly, during that time the masses were passing through a critical period. Many were undernourished, dominated by an elite class and only a few could have enjoyed, privileges and prestigious status.

There was large-scale discrimination for local job opportunities and the expatriates were the big

"sahibs"

Many attempts were made by the colonial powers, to frustrate the efforts of the political stalwarts who were greatly concerned about the deteriorating political climate at that time.

The PNC, long before its political ascendancy, had been making repeated calls to the people to join in an effort for unity and to elect a party that would transform Guyana into a nation of vast economic wealth.

A discriminatory educational system, miserable working conditions and unrealistic economic policies designed to squeeze the small man were the dominant features that prevailed preceding the PNC government.

Today, 20 years later, the People's National Congress has come a long way in spite of local and overseas-based reactionaries who are bent on disrupting the national economy and creating political instability in the country.

They have failed to dampen the spirit of the masses, who unreservedly by way of the electoral process support the PNC.

Many critics or political analysts might ask in the face of the economic crisis what chance the PNC has at the next general elections. The

answer, candidly, is that the prospects are even brighter for the PNC. The economic situation facing the country has revealed the unmatched leadership qualities of the PNC.

Twenty years have seen the PNC emerge from the political chaos of the 50s and rise to win the support of the masses. The achievements of the PNC are in evidence throughout the length and breadth of this 83 000 square miles Co-operative Republic.

Greater emphasis on agriculture, relevant education system, improved working conditions, massive infrastructural works, and the removal of discriminatory practices, within the public sector are just some of the achievements that justify the PNC.

Peace and stability in the country, a dynamic foreign policy are also among significant successes of the PNC over the years. The PNC in its 20 years of political rule continues to show its dominant will by making positive steps to remove the last vestiges of imperialism and bring Guyana to respectability in a global sense. Twenty years of progress and continued social justice for the Guyanese people are conspicuously manifested by the PNC.

Burnham Remarks

Georgetown GUYANA CHRONICLE in English 17 Dec 84 pp 1, 4-5

[Article by Colin King]

[Text]

PRESIDENT Forbes Burnham said yesterday the fact "we have survived, and prospered and progressed" after 20 years is the greatest achievement of his PNC Government.

"We have a future in Guyana. We have a future in the People's National Congress," Cde Burnham said in his address to the national rally and commissioning ceremony for the Guyana Glassworks Container Production Plant.

Looking to the future, he said there are certain things the country has to do in the "third decade" of the PNC in Government. By "grit and hard work," he advised, Guyanese must further develop the country's resources.

More work has also to be done towards removing the inequalities remaining in the country, he added. Further, the country has to exploit its resources to the extent that it will be able to make the machines that fashion goods from our raw materials. This, he emphasised, is the way into the 21st century for Guyana.

PERFORM

He urged citizens to understand the situation and perform efficiently so that

Government can co-ordinate these efforts for national development. The Government, he said, would "live not to boast, but to achieve." Cde Burnham told the big rally that the Glass Factory at Yarowkabra, Soesdyke-Linden Highway, will in the next two years, come into its own as an economic entity, earning both local and foreign currency.

Commissioning of the \$60-million factory and the rally at the factory site highlighted activities marking the 20th anniversary of the PNC in government. The plant is producing "soft drink bottles, samples of which were given as souvenirs yesterday.

Cde Burnham reviewed the 20-year period of his Party in Government and outlined some guidelines for continuing the country's development. In doing so, he cautioned against "marking time."

He said Guyana became "psychologically" independent in 1970 when it moved to republican status, four years after gaining formal political independence.

The nation then moved to nationalise its resources, transferring ownership and control of the bauxite and sugar industries to the people.

Some foreign interests, he noted, were greatly displeased at the steps taken.

RECOGNISED

The PNC Government, he stressed, would not be dictated to, consistent with "the spirit of independence and self-confidence" the Party has given the nation.

The independent spirit of Guyanese led this country to conceive and host the first Caribbean Festival of Arts (CARIFESTA). Cde Burnham noted. And, the country's non-aligned position has also become internationally recognised.

Other achievements of the PNC Government, he observed, include the granting of free education, large-scale urban and rural housing development, road and highway construction, construction of bridges, the erection of the recently-commissioned tableware facility and now the glass factory.

He reminded, also, that Guyanese are not starving, thanks to the agriculture programmes supported by Government. However, he cautioned the nation would be "marking time" if all it did was dwell on past achievements.

CSO: 3298/333

GUYANA

NCLDO ELECTS OFFICER; LEADER ADDRESSES SUPREME CONGRESS

New Vice Chairman

Georgetown GUYANA CHRONICLE in English 14 Dec 84 p 4

[Article by Colin King]

[Text] A new Vice-Chairman of the National Congress of Local Democratic Organs (NCLDO) took the oath of office yesterday, minutes after being elected unopposed by the Congress.

Ganga P. Tiwari, Regional Democratic Councillor of Region Three, is the new Vice-Chairman, replacing Abdul Satar, also of Region Three, who resigned the NCLDO position following his election as Regional Chairman, Region Three.

Cde Tiwari took the oath of office before Prime Minister Desmond Hoyte in the Office of the Prime Minister.

Earlier, Cde Tiwari and two other Regional Councillors, Cde H. Shurland of Region Seven and Cde Mahipaul of Region Two, were admitted as members of the NCLDO.

Addressing the meeting of the Congress which was held in the Boardroom of the Office of the Prime Minister, NCLDO Chairman Hulbert McCowan said the regional representatives on the NCLDO are expected to be "useful members" both at the level of the Congress and in their respective Regions.

NCLDO members, he said, "are representing the people, they are not here in their own right."

The resignation of the previous Vice-Chairman of the NCLDO resulted from the fact that the position of Regional Chairman and that of Vice-Chairman of NCLDO are both full-time jobs. Also, the NCLDO Vice-Chairman is responsible for monitoring and assessing the work of the Regional Democratic Councils.

Review of RDC's Progress

Georgetown GUYANA CHRONICLE in English 15 Dec 84 p 8

[Text] Chairman of the National Congress of Local Democratic Organs (NCLDO), Cde Hulbert McGowan said the Regional Democratic Councils which are now functioning in all ten regions of the country, need to do a lot more to fulfill their mandate of fostering true people's involvement in the conduct of their own affairs.

Reviewing the progress of the roughly four-year-old system of local democracy, he noted, however, that the Councillors "have tried very well for the short period and there's every possibility that they'll do more as time goes on."

Speaking with the Guyana News Agency after Thursday's election of the new vice-chairman, Ganga Tiwari the veteran Local Government official added that the regions have all made great strides in promoting the production of goods.

Where a great impact could be made on "people development," these areas he explained concern involvement of "the masses of the people" regardless of their political affiliation, in the development of their own communities.

The ultimate aim, he pointed out, is to have the Local Democratic Organs interacting with the people wherever they are, talking with them and getting their views for "they are the people who cause development."

According to the NCLDO Chairman, the establishment of the administrative entities represented by the lower tiers of the Local Democratic system will ensure that the people at the grassroots are involved in their development as both planners and implementers.

These neighbourhood Councils and People's Co-operative Units (PCUs) are "very important," he stressed.

"Lots of irritants" now present in the daily lives of the people would be removed with the establishment of the other organs of the Local Democratic system, he explained. Care of school buildings and other social property would be more in the hands of the communities, he added.

It's a case, he emphasised, where there will be, in a more meaningful way, "power from the bottom."

He added: "It's a good system, but it will take time to see it evolve and serve the purpose for which it is intended." (GNA)

Government Proposals for RDC's

Georgetown GUYANA CHRONICLE in English 20 Dec 84 pp 1, 5

[Article by Vanessa Cort]

[Text] Minister of State in the Ministry of Regional Development Harold Singh, yesterday advocated that Regional Democratic Councils (RDCs) reorganise their schedules for greater efficiency and stressed the role that they could play in achieving greater decentralisation.

He called for greater community planning and the establishment of local and regional production targets.

Cde Singh was seconding the motion for acceptance of President Burnham's feature address last Friday, at the first sitting of the Supreme Congress of the People.

The motion was tabled by Randolph Sandy, a member of the National Congress of Local Democratic Organs (NCLDOs) of Region 10.

Cde Sandy dealt primarily with plans for the bauxite industry in 1985, noting that the company had experienced both difficulties and benefits in the past year.

In particular, he said that the company intended to increase its production target significantly in the coming year and felt that the industry could make a considerable contribution towards economic recovery.

Cde Kenneth Jones, an MP from Region 1, who followed the Minister, spoke of the improved conditions from which the Region now benefits and noted the Region's self-sufficiency in edible oil.

Cde Jones said that farmers have responded to the call made by Councillors of the RDC for greater production.

Abel Krammer, a member of the NCLDO from Region 7, drew attention to several problems which existed in the Region prior to the Party's taking the reins of Government.

Many of these problems have been overcome. Others still remain, but he remarked that farmers needed on-the-spot technical advice from the "best personnel."

Calling for greater youth involvement in the Regional Democratic System was Eugene Gilbert, an MP and former Chairman of the Young Socialist Movement (Y.S.M.).

Cde Gilbert said that the country was experiencing development in peace time, but young people were not always cognisant of this.

In the planned programme for International Youth Year next year, Cde Gilbert said youths would have an opportunity to participate to a fuller extent in the developmental process.

Housing co-operatives will be structured to better achieve the goals of the socialist transition taking place in society and the co-operative ideology, said Parliamentary Secretary Agnes Bend-Kirton-Holder.

Cde Bend-Kirton-Holder, who is Parliamentary Secretary for Housing, added that the time is now ripe for the de-centralisation of the Central Housing and Planning Authority.

She pointed to the "programmed pattern of change," which has been taking place in the country under the present Government and the benefits accrued by the "small man" from government's housing policy.

The last speaker at yesterday's session, Cde Inshan Ally of Region 6 called for greater community policing as a counter to crime.

A member of the NCLDO, Cde Ally urged that the objective should now be to "develop neighbourhood consciousness" of the necessity to maintain law and order.

Chairman's Speech to Congress

Georgetown GUYANA CHRONICLE in English 21 Dec 84 p 3

[Article by Narmala Shewcharan]

[Text]

CHAIRMAN of the National Congress of Local Democratic Organs, Hulbert McGowan yesterday stressed that popular participation was necessary to the development process. And he identified decentralisation as a positive means of implementing the concepts of people's participation.

"When you talk of people's participation, I am thinking of all the people in Guyana and not just a section of the people," he told the Supreme Congress.

He emphasised that participation by the people, representing the power of the people would advance efficiency and minimise bureaucratic officiousness.

He spoke of the role of education in such participation, saying that it should be relevant to Guyana.

Cde Mc Gowan who quoted from President Burnham's address last Friday went on to speak on the contribution of teachers and the role of educators. He opined that teachers associations were not carrying out their functions as they should.

In a reference earlier to the President's College, Cde. Mc Gowan observed that the College would be a national institution with students from each Region attending.

Immediately after Cde Mc Gowan's speech, Cde J.P. Caldeira offered a motion.

salary as a contribution toward the President's College Fund. There were indications too that more donations would be made by Members of Supreme Congress.

Concluding his speech, Cde Mc Gowan called for regional programmes to be implemented for International Youth Year next year.

Another member, Yusuf Khan called attention to the importance of health, tracing projects toward the promotion of health from 1965.

He noted that over the years, Government has expended enormous sums for the training of medical personnel, at both local and overseas institutions.

This expenditure underlined the commitment toward a healthy strong nation.

Cde Bissondei Beniprashad traced the improvement in water supply to the nation throughout the years, recalling the early days when citizens had to get their water from the top of the roofs.

She said that 100 per cent of the homes in urban areas have access to pure water while this figure was 75 per cent in the rural areas.

Water in the Regions has become a concern of the people and of the Regional Democratic Councils, she stated.

Cde Beniprashad added that the management of pure water supply was in the hands of the people themselves.

Cde Cyril Frands also spoke yesterday afternoon.

CSO: 3298/333

GUYANA

SUPREME CONGRESS OF PEOPLE MEETS IN THIRD SESSION

Burnham Keynote Address

Georgetown GUYANA CHRONICLE in English 15 Dec 84 pp 1, 5

[Article by Colin King]

[Text] President Forbes Burnham last night called for a total mobilisation of Guyanese, based on "intellectual understanding and moral commitment" to ensure the "success and victory" of the nation's economic recovery efforts.

Addressing the Third Session of the Supreme Congress of the People, one of the highest organs of local democracy, he said that the Regional Democratic System would have a key role to play and will be provided with the necessary skilled personnel.

The sitting of the Congress coincided, to the day, with the 20th anniversary of the assumption of office by the People's National Congress.

Cde Burnham told the opening session of the Congress that efforts to collect rates and taxes and State revenues, to stamp out Customs evasion and corruption, and to stop leakages from the national economy through the smuggling of subsidised commodities will be intensified.

In addition, there was need for greater efficiency, for an end to waste and for increased production.

He also announced to loud applause that now that increased wages and salaries have been paid to public sector employees, pensioners and old-age pensioners "will get comparable increases before Christmas."

He noted that the Government has not resigned from its commitment to free education.

In addition, Cde Burnham stressed that the national programme at the present time and in coming months will focus on the mobilisation of national human and other resources, particularly through the Regional System, and in some cases in consortium with the agencies of some foreign countries.

The sitting of the Supreme Congress adjourned after Cde Burnham's loudly applauded, roughly 35-minute address. The sitting will resume on Wednesday, December 19 at 14:00 hrs at Parliament Chamber. Last night's opening sitting was held at the National Cultural Centre and was attended by the people's representatives of the Organs of Democratic Power, and representatives of a wide cross-section of the Guyanese society.

In his address Cde Burnham expressed regret that the international system largely continues to ignore the needs of the developing countries.

"It's pathetic that the rich seem to believe that their system and wealth can be safe in a world one quarter rich and three quarters poor." But he stressed the importance of Guyana mobilising its own resources to continue the strides made in the last 20 years, "an eventful and educative period... of revolutionary changes in the economic, social and political fields."

Guyanese must be prepared, he said, to "face with fortitude the attendant sacrifices and pains of development." They must also realise that the age of charity, like that of miracles, has past forever.

He reiterated that Guyanese have been and "must continue to be partners with your Government in the beneficial exploitation of our agricultural resources and potential."

He noted that the ten Administrative Regions each have responsibility for several projects of national significance and urged that these projects be made to yield benefits for both the Regions and the nation as a whole.

"The call on our human resources will be great. From this flow two related consequences: the Regions need the best personnel to perform their tasks and the place for the expert and experienced is in the Region," the President stated.

He announced that from January 1, 1985, the necessary support staff will be transferred out to the Regions.

He reiterated that devolution of authority, development and provision of services to the people cannot be achieved "if the majority of senior and expert staff remains holed up in Georgetown." The City is the capital, not the whole of Guyana, he reminded, stressing that success in Regional development means success in developing Guyana.

Cde Burnham detailed a number of projects carded for implementation in the Regions in 1985. Among others, he named the new phase of the MMA Project, the Korea-Guyana Agricultural Complex at Abary Park, the Cuba-Guyana Legume Project, the Yugoslavia-Guyana Corn and Soya Project, the Bulgaria-Guyana Agricultural Complex at Kontumari and the Guyana-Cuba tobacco growing enterprise in Region Four.

Also, there are projects such as the Hydro Project Station to be established at Eclipse Falls in the Matarkai area of Region One, and a similar project at Kontumari.

In the development thrust, the President emphasised, support services such as research and development, and education will have to be strengthened. The Institute of Applied Science and Technology and the Guymine Research and Development Department will have to be properly financed.

In education, he noted that the Government has "not resigned from its commitment to free education from nursery to university" but wondered whether the nation "is getting its money's worth."

"Is the system as a whole sensitive to, and sufficiently supportive of the national thrust?" Cde Burnham asked.

He proposed that the Education Ministry, the Planning Commission, the Regions and unions meet shortly to set short and long term goals and achieve a consensus on what has to be done. Their discussions should address the question of incentives and sanctions, he suggested.

Looking at the magnitude of the development programme outlined in his address, the President gave a number of reasons for which, and means by which the programme would succeed.

Firstly, many of the projects, especially those in agriculture, have a short "gestation period."

In addition, millions of dollars have already been spent on necessary infrastructure in previous years.

Thirdly, by making "judicious use of our material resources we have been able to secure new credits and to effect significant agreements."

A further measure needed, the President told the Congress, is "a determined effort to collect revenues that are outstanding." He said there are millions of dollars in unpaid rates and taxes "while some of the debtors live in opulence." "This must and will end," he stressed. (GNA)

Further on Burnham Speech

Georgetown GUYANA CHRONICLE in English 19 Dec 84 p 8

[Text] The third session of the Supreme Congress of the People resumes today, opening debate on President Burnham's keynote address to the first sitting last Friday.

Meeting in Parliament Chambers from 14:00 hrs, the Congress is also expected to explore means of implementing guidelines for the national programme given in the President's address.

The Congress comprises members of the National Assembly and representatives of the highest forums of the four-year-old system of Local Democratic Organs.

In his address to the first sitting of the Third Session Friday, Cde Burnham stressed that the Congress "seeks to bring together the representatives of the people at all levels to engage in national discussion, review and macro-planning."

The Congress "is unique (in the Region) and offers an opportunity of people participation which a slavish copying of the Westminster model does not," the President stated.

The new democratic system has, generally, produced "salutary changes" such as the display of "unwonted initiative" and the implementation, without central direction or financing, of economic projects beneficial to the local communities, he said.

There is, however, more to be done to bring the system to perfection.

"There are still five other organs to be formally established if the process of total democratisation and popular participation, as envisaged by the Constitution, is to be completed," Cde Burnham noted.

The President said that with the accomplishment of training and recruitment for the new system, "the next few years should witness our achievement of the ultimate objective." (GNA)

Conclusion of Debate

Georgetown GUYANA CHRONICLE in English 21 Dec 84 pp 1, 8

[Article by Vanessa Cort]

[Text] THE sitting of the Supreme Congress of the People ended last night with the unanimous acceptance of the policy outlined in President Forbes Burnham's speech last Friday. The Congress' approval was contained in a motion moved by Cde. Randolph Sandy and seconded by Minister of State in the Ministry of Regional Development Harold Singh. Vice-President Ranji Chandisingh, who is also General Secretary of the People's National Congress wound up the two-day debate during which 25 speakers made presentations. The Vice-President was optimistic about the future of the regional democratic process. "Though still in its infancy, the Regional System has

begun to reveal its benefits and its potential," he said.

Cde Chandisingh underscored the President's observation that there is no deficiency in the system, which will reveal its benefits when fully implemented.

The Vice-President however, identified what he termed an "attitudinal problem" which he said needed to be examined, tackled and resolved.

Young people, he said, needed to realise that the nation's resources were spread over all the Regions and not limited to the more densely populated areas.

They needed to understand that "opportunities for a good and satisfying life were not confined to Georgetown."

The Vice-President contended that there must be a

means of directing the people into areas of development in order to get their involvement.

He suggested that greater ideological orientation would be an effective method of achieving these ends. People would then understand, he said, the reason for increased production and productivity and the necessity for a change in taste and attitude.

The Vice-President announced that in the coming period a public information programme will be developed to keep Regions abreast of development and also to alert the public of the tactics used by imperialists to destabilise the country.

An earlier speaker at the session, Elaine Davidson, MP, called for the question of women's involvement in industry to be addressed.

The current system, she said, was tailored to suit men, and women workers were therefore a disadvantaged group.

She pointed out that women's involvement in development would aid not only themselves but the entire nation.

Another speaker, Nellie Charles, MP, called for the re-examination of the gold and diamond industry.

Cde Charles, who hails from Region 6, advocated that particular attention be paid to the mining operations which take place on land.

She expressed confidence that "with modern equipment greater productivity could be realised" by the small miners working land-based operations.

Strategic Role of Agriculture

Georgetown GUYANA CHRONICLE in English 21 Dec 84 pp 1, 3

[Article by Narmala Shewcharan]

[Text]

GOVERNMENT Ministers yesterday put emphasis on increased agricultural production, increased viability in the forestry sector, and national self-sufficiency when they addressed the sitting of the Third Session of the Supreme Congress of the People.

Restating the strategic role of agriculture in the drive toward economic independence, Minister in the Ministry of Agriculture, Dr. Simpson Da Silva unfolded a five-year plan which encompassed substantial production increases in essential crops.

Tracing the estimated increase in production from 1985 to 1989, the Minister said that plans toward these increases should be implemented with the supportive action of the Ministry.

Earlier, he said that over the past three years, both direct and indirect incentives have been provided for the agricultural sector.

Minister of Forestry Cde. Salahuddin, focused on the forest as a "renewable resource" and noted that it was also an industry on the way to proving that it is capable of its own power-generation. The forestry industry also provides prefabricated houses, shingles for roofs and furniture.

On the versatility of wood, the Minister said that the industry has earned \$140m in foreign exchange, but that only half of this has been earned from the sale of timber and lumber. The remainder, he said, was from the sale of "exotic type of furniture."

He also spoke about new ventures in the industry, the

first veneer production plant will be on stream early 1986 and efforts were being made to mobilise and support small producers, especially those in the field of hand-made shingles.

Both Ministers were addressing the Congress in support of the motion for acceptance of President Burnham's feature address last Friday.

Minister Da Silva, who made the earlier speech, pointed out in his five-year plan that serious attention would be given to rice, sugar, edible oil, peanuts, cotton, dairy beef, poultry, fishing, root crops and agro-based craft.

He said that rice production should move from 212 000 to 288 000 tons from 1985 to 1989 with effective efforts to implement strategies geared

for increased production. Efforts were also being geared toward improvement in milling facilities.

In the sugar industry, production should move from 273 000 tons in 1985 to 341 000 tons in 1989.

Domestic edible oil production targeted at 1,1 m gallons in 1985 should move to 2,2 m gallons in 1989, "thereby substantially reducing the country's edible oil deficit."

The estimate of peanuts production is 1,2 m to 2,7m from 1985 to 1989.

In the field of corn, he said, the emphasis would be on acreages' expansion and on increased production by small farmers. Minister Da Silva added that discussions were presently going on with Yugoslavia to implement large-scale corn production.

Soya production is also to be looked at seriously, he said. Specific strategies are to be directed toward the development of the coconut industry.

The palm oil industry is another area for attention, the Minister told the House.

The Minister also identified the importance of legumes, stating that the cultivation of these crops both by small farmers and by large enterprises will be promoted. He said too, that the production of citrus fruits will be encouraged and supported in Regions more suited for this crop.

Earlier, he declared that the generally unsatisfactory performance of the agriculture sector has necessitated action to identify constraints and in so doing move toward effective development of the sector — such development being the "spring-board of economic stability."

Finally, he noted: "Development is the development of the processes of the minds of the people..."

I expect that each citizen of Guyana will develop their minds in order to assist in the development of the country."

In his outline of the forestry industry, Minister Sailehuddin pointed out that 83 sawmills

are licensed to operate in this country, but that only 74 were active. The others became inactive after they could not get the necessary foreign exchange to carry out repairs and rehabilitation works. The Minister, said, however, that the Forestry Commission is to examine arrangements for the re-activation of these sawmills.

According to the Minister, some 48 000 square miles of forestry could be harvested commercially, and 15 000 of this was allotted for logging and sawmill operations.

But, he said, only 9 000 square miles have been effectively penetrated under active, economic exploitation by both the public and private sectors.

At the moment, there were 600 logging operations scattered in the 9 000 square miles as well as several furniture operations and charcoal producing units.

On the generation of fuel, he said that the list of resources to produce power has not been exhausted.

GUYANA

PNC ORGAN HAILS ACHIEVEMENTS IN AGRICULTURAL PRODUCTION

Georgetown NEW NATION in English 16 Dec 84 pp 3, 6

[Text]

THE years preceding 1964 Guyana a country of enormous economic wealth and great agricultural potential had been relegated to social backwardness and a land dominated by an exploitative system.

That hectic era the Guyanese population had been influenced by the capitalist socio-economic policy and more or less relied on it as the basis for economic survival.

In those years Guyanese through a divide and rule policy could not have made a significant contribution to the agricultural drive. Thousands of acres of lands remained abandoned — infested with snakes and overgrown with bush. And many often wondered why such a rich land, so productive was not cultivated and fully utilised to feed our own people.

This is the pathetic and appalling story of the days when the imperialists had dominated and enjoyed absolute power over the Guyanese people both economically and politically. Authoritarianism was predominant in those days.

Many Guyanese were seeking "fortunes", by pursuing massive importation of foodstuff like potatoes, sardines, split peas and flour. Their actions suited the imperialists since they were creating employment for the expatriate farmers.

Guyanese were not encouraged to cultivate idle lands in an effort to replace imported foodstuff. This obviously was the notorious and unrealistic policy of the capitalist barons.

Today potatoes, sardines, split peas and flour have all been replaced by local produce. There is a conspicuous awareness, now, in promoting a wider agricultural programme relevant to the country's needs.

The rapid progress in the hinterland in terms of agriculture has been very encouraging. a special praise to the Guyana National Service for their sterling contribution to hinterland development.

Agricultural science in Primary schools is making a good headway. Persons are encouraged to be involved in farming during their spare time. The "collar-

and-tie mentality" is changing.

As one Agricultural Adviser to the President said; "The most notable change that took place and still is taking place, has been the change in attitude of the Guyanese population toward farmers.

In the past, particularly the colonial past, people tended to regard the farmer, be it crop, livestock, or fish farmer, as someone involved in a rather dull, dirty job. Over the years we have seen the emergence of a new attitude to farmers. People are now regarding them as persons making a vital contribution to the economy."

Farmers have been participating in decision-making. Some have been recognised for their invaluable contributions in the sphere of agricultural progress. Looking back over 20 years the picture has completely changed.

Whatever, are the constraints, difficulties and natural problems the Guyanese people must be congratulated for their splendid efforts which are bearing fruits in agricultural development.

GUYANA

CHANGES STIR RICE INDUSTRY; INVESTMENT GOALS OUTLINED

Rice Board Restructuring

Georgetown GUYANA CHRONICLE in English 11 Dec 84 pp 1, 2

[Article by Albert Alstrom]

[Text] The National Assembly yesterday afternoon approved the Rice (Regulation of Manufacturing and Marketing) Bill.

The Bill was introduced in the Assembly by Deputy Prime Minister Haslyn Parris and was seconded by Prime Minister Desmond Hoyte.

It provides for the replacement of the Guyana Rice Board Act so as to restructure the rice industry with a view to ensure its further development.

A new authority, independent of the rice milling and marketing and export authorities, is proposed to be set up for the purposes of grading padi and rice. This authority will be named the National Padi and Rice Grading Centre.

The Centre will be authorised to establish, with the approval of the Minister, a Regional Rice Grading Office for any Region if there is need.

The export functions in relation to rice will be conferred on a corporate body to be called the Guyana Rice Export Board and the Guyana Rice Milling and Marketing Authority also to be set up will be mainly engaged in the regulation of manufacture of rice and marketing of rice in Guyana.

The only other speaker on the Bill was Cde Reepu Daman Persaud, a Member of the Minority (PPP) who said that his Party was not supporting the Bill but was given certain assurances by the Prime Minister about fears he had expressed.

Prime Minister Hoyte told the House that the Bill seeks to provide a better way of life for the 20 000-odd families that work in the rice industry. He added that the Government, over the years, provided

programmes to make the industry more efficient but will continue to make changes in keeping with world trends and with a view to expanding its trade outside of the Caribbean into other parts of the world.

He said that the Bill is geared to maximise the returns to the farmers, increase the productivity and to involve people or organisations committed to the expansion of the industry, the welfare of the farmers and the country as a whole.

With the passing of the Bill, markets will be sought for rice and rice products and Government and the country will benefit from the foreign currency earned.

The Prime Minister said that the Government realised that farming is a business and has been engaged in educational programmes and has been paying attention to marketing and changes in agricultural technique.

Deputy Prime Minister Parris in his maiden speech to the House said the Bill would assist in stamping out the smuggling of rice to other countries.

Cde Parris, who was piloting his first Bill since being appointed Deputy Prime Minister earlier this year, said that the Bill would also protect the consumer and provide the groundwork for this country to become a vibrant exporter.

Benefits for Farmers

Georgetown GUYANA CHRONICLE in English 12 Dec 84 pp 1, 2

[Text] Deputy Prime Minister Cde Haslyn Parris on Monday outlined to the National Assembly the several ways in which the Rice (Regulation for Manufacturing and Marketing) Bill is intended to benefit individual farmers as well as the national economy.

In a 35-minute presentation that drew praises from Speaker Sase Narain, Cde Parris said the Bill represents the pivotal step which is part of the sequence to restructure the rice industry to give it the vibrance necessary to an industry "so central to our national developmental thrust."

The Bill was passed without the support of the Minority.

Enshrined in the Bill, he added, is a number of very fundamental policies important to Guyana's developmental pursuits such as national nutritional self-sufficiency.

"In the second instance," he said, "it concerns the importance of ensuring adequate returns to producers through appropriate pricing policy."

"Thirdly it concerns the importance of developing and continually improving a vibrant national capability for export: a capability which must be transmitted into the actuality of a rapidly growing export (market)."

In discussing the complex nature of the Bill, Cde Parris said: "The Bill, for instance, must subscribe to the functioning of a regime in which a fair return to the farmer must be assumed."

He referred to the need for Guyana to become a vibrant exporter of rice, pointing out that the Bill provides for "widening the export market efforts and deepening the export market penetration."

He, however, pointed out that, in pushing export, cognisance must be taken of quality--a factor which is provided for by proposals for the Rice Grading Centre.

He stressed: "Steps must be taken for quality, a prerequisite for progress, to be fostered and jealously guarded. Norms of quality, he added, must be transmitted to producers "on whom we have to rely if we are to achieve the development aimed at within the rice industry."

Another major problem, Cde Parris noted, is the need for an orderly domestic market. The Rice Milling and Marketing Authority is intended to deal with this problem to ensure a proper and adequate distribution of rice on the local scene.

Provisions have been made for penalties for those who attempt to breach the new system.

Cde Parris also spoke of the need for the establishment of a Market Information System which can provide information to producers on amendments to be made in terms of production and technical changes within the industry.

Hoyte Remarks

Georgetown GUYANA CHRONICLE in English 13 Dec 84 p 5

[Text]

PRIME Minister Desmond Hoyte has said investments and other programmes over the years were intended to make the rice industry more efficient.

The objectives of these programmes was the increasing of production and productivity and maximising returns "not only to farmers but to the industry as a whole and the economy of Guyana", he told the National Assembly Monday.

Cde Hoyte made the points during debate on the Rice (Regulation of Manufacturing

and Marketing) Bill which was passed despite opposition by the Minority in the House.

Cde Hoyte was replying to charges by People's Progressive Party Member Reepu Daman Persaud that Government had neglected the industry and at the same time ignored the expertise and skills of the producers.

Cde Persaud alleged that 20 000 farming families still within the industry, have never been allowed to participate in its management.

And he called the Bill "just another piece of bureaucracy that will not produce the rice but rather stultify the growth of the industry".

But Cde Hoyte said the rice policy in Guyana had always been to ensure higher yields per acre, which he said has advanced to date to an average of 21 bags from 13 bags during the late 1950's.

In addition to ensuring better prices for small farmers, the Bill will seek to reorganise the industry to cope with anticipated changes relating to the structure of trade, marketing and agricultural techniques, Cde Hoyte assured the House.

With the passage of the new Bill, three new agencies are to be established within the rice industry. These will replace the existing Guyana Rice Board. [GNA].

Talks With GDR Team

Georgetown GUYANA CHRONICLE in English 15 Dec 84 p 5

[Photo caption] A team from the German Democratic Republic is now in Guyana for talks with officials of the Guyana Rice Board on the construction of a rice milling complex at Liliendaal, East Coast, Demerara. The GDR is expected to supply the machinery for the mill.

The talks began Thursday and were scheduled to continue yesterday. Below are the persons involved in Thursday's meeting. From left are members of the German team, Helmut Jakob, Hans-Georg Kaiser and Amo Funk; Region Four Chairman Ivan Remington, GRB General Manager Leon Dundas and GDR Commercial Attache to Guyana, Gunther Maesar. They met at the GRB headquarters in Water Street.

Thursday's discussions centred on the type of equipment to be supplied and ensuring that they are suitable to the varieties of rice grown here. The officials from the two countries also visited the site of the proposed complex. [Photo not reproduced]

CSO: 3298/335

GUYANA

PPP ORGAN: SUGAR IN TROUBLE; PRICE INCREASE EXAMINED

Guysuco Chief's Report

Georgetown MIRROR in English 16 Dec 84 pp 2-3

[Text] A mighty effort is needed to save the sugar industry, according to a report made by Guysuco chairman Harold Davis for 1983. He itemised the many problems facing the industry and called for a united effort to save it. In his opening remarks Mr Davis said: "As far as developmental growth is concerned, 1983 has proved no better than the previous year: production fell significantly, yields continued poor, prices continued to fall, the loss of skilled and experienced staff continued unabated."

Production was 251,870 tons sugar, 12.5% below that of 1982. Group sales amounted to \$231.1 million, 16.2% lower than that of 1982. The net deficit for the year amounted to \$119.7m, compared to \$93.1m for 1982. Gross foreign exchange earnings fell from \$266.8m in 1982 to \$218.9m in 1983. The subsidy on home sales shot up to \$39.1m as compared to \$32.2m in 1982, and represents 32.7% of the year's operating deficit.

How the industry is surviving therefore is a miracle of achievement, for its indebtedness is shocking. Mr Davis noted that "borrowing at the end of the year stood at \$203.0m which was \$126.5m more than that at the end of the preceding year. Net interest charges for the year amounted to \$21.6m. However, this amounted to \$10.8m less than that of 1982. What lies behind these figures and what the future holds for the Guyana Sugar Industry must be questions foremost in the minds of readers."

Commenting on the poor state of equipment, Mr Davis blamed "wholly inadequate levels of capital expenditure not only in 1983, but in the immediate preceding years" and noted that equipment is now so old that despite injections of spare parts, "very little improvement in performance was achieved." He summed up this part of the crisis by remarking:

"Keeping this fleet in operation has been most uneconomical and a waste of very scarce resources. There is great need to replace such equipment. Happily encouraging signals have been received in this regard."

Pointing out more problems in the industry, he referred to "weather conditions" which he said "created serious setbacks"; the state of our dams; protracted burning/grinding intervals; and soil compaction "all of which when added to the low achievement in mechanical tillage have had an adverse effect on the corporation's yields."

Citing more problems he said: "The tons cane/tons sugar ratio has been a source of great concern. The deterioration of this productivity ratio (that for the second crop was the highest on record) was perhaps the most disturbing feature of our 1983 operations."

Moving to the prices crisis, he remarked: "Prices continued to decline steadily since 1980; the average price for a ton of sugar in 1983 represented 25.2% reduction over that received in 1980."

On the spare parts crisis, he noted: "As a result the industry experienced high mechanical downtime and loss of efficiencies which in themselves contributed to the tons cane/tons sugar ratio problem."

Lamenting the steady exodus of staff he observed: "The corporation continued to lose experienced staff both at junior and senior levels. The high turnover of staff necessitated even greater emphasis being placed on our internal training programmes, particularly with regards to technical training."

Expressing anxiety over plummeting peasant cultivation, he said: "Farmers' production was 12% lower than that of the preceding year. It would appear that poor sugar prices were resulting in some farmers moving out of sugar cane cultivation. No farmer expanded and very little rehabilitation of existing farms was done."

On the crisis in the Other Crops Division Mr Davis wrote in his report: "Inadequate capital investment also took a toll on the aspirations of our Crops Division, particularly with regards to the production of palm oil."

On an optimistic note as he closed off his statement, the Guysuco top man indicated that "at the time of writing, certain actual production indicators suggest that the turn-around cycle has commenced"; and that "spares in hitherto unaccustomed quantities are arriving"; besides "it is our saving grace that the quotas we possess in the EEC and the USA amounting together to approximately 200,000 tons yield a very much more remunerative price than can be obtained in the world market currently." In September 1984, the USA axed Guyana's quota by 6,024 metric tons.

Giving a pat on the back to the employees he said: "Above all I am extremely grateful to all of our workers for rallying together to see us through a difficult year. They have given of their support, loyalty and commitment, without which the task would have been even more difficult."

New Price Schedule

Georgetown SUNDAY CHRONICLE in English 16 Dec 84 p 1

[Text]

THE Trade and Consumer Protection Ministry has announced an increased price for sugar sold on the local market.

The new price will be 68 cents per pound. It took effect Friday, December 14, in keeping with an order signed by Finance Minister Carl Greenidge.

The previous price was 33 cents per pound.

Sugar has been a heavily subsidised commodity on the

local market. Its low price in Guyana relative to prices for sugar in neighbouring countries made it a prime target for smugglers.

Of the 68 cents per pound consumers will pay, 63 cents will go to the Guyana Sugar Corporation (Guysuco), three cents will go to retailers and two cents will go to wholesalers.

It currently costs Guysuco 63 cents to produce a pound of sugar.

Rationale for Price Hike

Georgetown SUNDAY CHRONICLE in English 16 Dec 84 p 16

[Article by Courtney Gibson]

[Text] The increased price for sugar announced yesterday by the Trade Ministry did not take many Guyanese by surprise primarily because President Forbes Burnham had indicated very pointedly on Friday that some subsidies would need to be removed or reduced.

But the decision to increase the price to the local consumer from 33 cents to 68 cents per pound must have been made rather reluctantly, for the President, it is known, has steadfastly over the years resisted all attempts by the producers to increase the price of sugar even though all the sound economic arguments suggested clearly there was need for increased prices.

His reasoning, evidently, was that the Guyanese consumer should be able to obtain his supplies of sugar--the product of one of our major industries--at a very cheap price.

In keeping with this policy, and in spite of the spiralling rate of imported inflation over the years, the Government continued to heavily subsidise the price of sugar to local consumers.

For 1984 alone, it is estimated that Guysuco will lose some \$112 million as against \$119.7 million it lost last year. And, last year the subsidy on local sugar sales amounted to \$39.1 million.

Best Interest

But while it is perhaps debatable as to whether it would be sound policy to tax some other item or items heavily to subsidise sugar, one thing has become very evident: Given the prevailing circumstances, the subsidy has been working against the best interest of the nation's economy.

The extremely low price for this basic item on the local market has made the contraband business in sugar a very lucrative one.

The "contrabandists" have been evading Police and Customs surveillance as they smuggled sugar out of the country by the boatloads--and even by the suitcases--to other countries where the price is much higher.

And, as President Burnham explained Friday, in his address to the Supreme Congress of the People, "....the proceeds are converted into foreign currency, usually American dollars, which is then exported."

This constitutes a tremendous strain on the national economy and has on several occasions contributed to an "artificial" shortage of the commodity much to the embarrassment of the producers and the chagrin of the busy Guyanese housewife.

"Is it not fair in the circumstances that the Guyanese consumer be asked to pay a price for sugar that approximates to the cost of production?" Cde Burnham asked.

At the moment, it costs Guysuco 63 cents (Guyana) to produce a pound of sugar. However, the world market price is now 21 cents (Guyana) per pound and local consumers pay 33 cents per pound.

In keeping with the new arrangement, Guysuco will be paid 63 cents per pound, the wholesaler will get a mark-up of two cents per pound and the retailer will get a mark-up three cents per pound.

Cheapest

It is also noteworthy that the retail price, though increased, remains cheaper than the retail prices in neighbouring countries and also cheaper than the price at which Caricom member states have agreed to sell sugar amongst themselves.

Meanwhile, one of the problems associated with the difficulties local housewives experience from time to time in their bid to purchase sugar is associated with the fact that many retailers have been reluctant to sell the commodity because of what they consider too small a mark-up (two cents) per pound.

The ensuing artificial shortage has always led to the open and barefaced blackmarketing of the commodity.

The new prices have taken this complaint into account and both retailers and wholesalers will now each receive an increase of one cent per pound.

This should encourage more retailers to stock and sell the commodity.

Given the prevailing circumstances, the increases do seem fair and justified but it is also the hope that now Guysuco will be receiving locally, a price that at least approximates to its cost of production, it will seek to ensure that it does everything within its power to improve its efficiency and in the process, reduce its cost of production.

Production Figures

Georgetown SUNDAY CHRONICLE in English 16 Dec 84 p 16

[Text]

SUGAR production of 3 040 tons for the week easily surpassed the target of 2 180 tons. This figure brings the crop's total to 131 550 tons being an achievement of 75,1 per cent. Total production for the year now stands at 236 711 tons.

The target for the week was surpassed in spite of unfavourable weather because all estates except LBI and Leonora continued grinding.

Only three estates, Skeldon, Blairmont and Diamond were scheduled to be grinding, but in an effort to maximise production, the industry continued to make eight estates operational.

The industry plans to continue with this policy.

Meanwhile, estates are proceeding with their calculations to make retroactive payments as early as possible.

CSO: 3298/336

GUYANA

GOVERNMENT OFFICIALS CHARACTERIZE FUNCTIONS OF TRADE UNIONS

Denny Speech

Georgetown GUYANA CHRONICLE in English 17 Dec 84 p 4

[Text]

MINISTER of Manpower and Co-operatives Kenneth Denny, in outlining the role of a trade union in a society that is in transition from capitalism to socialism, said that the trade union should be a school of socialism and economic management.

The Minister explained this when addressing the inaugural meeting of the GEC — MPCA Industrial Relations Committee held at the Guyana Electricity Corporation Training Centre at Sophia last Wednesday.

The meeting was attended by representatives of the GEC senior management led by Cde. Joe Holder, Executive Chairman (ag) and senior executives of the MPCA, led by Cde. Cleveland Charran, General Secretary.

Comrade Denny, noting that one of the main items on the agenda of the meeting was the development of workers' participation in

management at GEC, congratulated GEC and MPCA on this development.

He stated that Guyana is a State in transition from capitalism to socialism and defined socialism as being a socio-economic system in which the means of production, distribution and exchange are managed by the people.

Co-operativism, said Cde. Denny, is closely tied to socialism and, according to the Constitution of the Co-operative Republic of Guyana, co-operativism is the dynamic principle of socialist transformation.

According to him, co-operativism was therefore a concept whose meaning went beyond the promotion of traditional co-operatives. Co-operativism of State enterprises, said the Minister, involves the putting into place of mechanisms for the people to have a say in the management of the en-

terprises. Participation is a key element of co-operativism.

He emphasized that MPCA should not see itself as apart from GEC, but as part of GEC. Cde. Denny saw the role of GEC management in the transition to socialism as being to interpret correctly decisions made by the Government which affect GEC and to give operational content to such decisions.

The meeting examined a constitution for workers' participation in management at GEC and decided to set up as a pilot project a Works Council and two Disciplinary Committees at Garden of Eden.

The meeting was informed that a Disciplinary Review Committee comprising of the General Manager, Personnel Manager and Trade Union Representative had been set up to review, on appeal, cases where workers have been disciplined.

Rally Speech by Hoyte

Georgetown GUYANA CHRONICLE in English 20 Dec 84 pp 1, 8

[Article by Albert Alstrom]

[Text]

Desmond Hoyte said last night that the People's National Congress is a working class organisation which sees the Trade Union Movement as a vital organisation for protecting and advancing the causes of the working people.

He added that the PNC, like Hubert Nathaniel Critchlow is against racism and is interested in all the people in the country.

As a result people wishing to become members of the Party must first be a member of the trade union at their place of work.

The Prime Minister was addressing hundreds of people attending a rally in the Stevedores Calling-on Centre, Lombard Street.

President Forbes Burnham, Cde. Viola Burnham, Vice-President Hamilton Green, Vice-President Raul Chandel Singh and other Ministers of Government were also in the audience.

The rally, which overspilled on to the busy Lombard Street, was part of the programme to commemorate the centenary of the birth of Critchlow, the father of trade unionism in Guyana and the English-speaking Caribbean.

Extra Police were deployed to control traffic as hundreds listened to Prime Minister Hoyte.

The rally was organised by the Guyana Labour Union which Critchlow founded as the first trade union in Guyana.

The Prime Minister said that Critchlow was quite clear that the trade union had

to have a political role if it was to achieve the best for the people, and as far as the PNC Party and Government are concerned, the trade union must have a role in the country. He added that Critchlow was the first to introduce the term "comrade" in our society. But today there are some trade unions under external influence who do not like the word "comrade." He called on those to state whether they believe in what Critchlow stood for or not.

Critchlow believed in socialism and no one can doubt that the Party is a socialist one based on the programmes it has implemented. Critchlow was a man of indomitable will and courage and operated at a time when the country was faced with economic depression, Cde Hoyte pointed out.

Speaking to the crowd, some of whom appeared in their traditional labour colours, the Prime Minister called on them "to let us rededicate ourselves to the work of that great man."

Until recently, the work of Critchlow was not known by many Guyanese even though he is one of our greatest heroes, Cde Hoyte observed.

There were some who foisted upon us apples and grapes instead of mangoes and five finger, wheat flour instead of rice flour or plantain and cassava flour. "They have foisted upon us their heroes. The rally has a historic significance as it seeks to bring to the forefront

one of Guyana's greatest sons," Cde Hoyte stressed as he spoke of the colonial system which left the work of Critchlow hidden for a long time.

The Prime Minister said that Critchlow's three objectives were: to work for the advancement and protection of oppressed people; to accelerate the process towards political independence; and to help create a socialist State in Guyana.

The Prime Minister said that when sugar workers on the East Bank, Demerara heard of the works of Critchlow, they decided to march to the City to meet this great son for advice and guidance, but as they got at Ruimveldt 14 of them were shot and killed by Colonial Police while a number of others were injured.

He said that Critchlow was not a racist for he believed that only with unified action the oppressed could be freed and independence and social justice could come.

The Prime Minister said that the Guyanese people cannot go wrong "if we walk in the footsteps of Critchlow" and he praised President Burnham for the achievements of the Party in Government over the past 20 years and his commitment to the socialist objectives.

A number of diplomats attended the rally.

After the rally the President mixed and chatted freely with workers of the waterfront who are members of the GLU, of which Cde. Burnham is President-General.

GUYANA

GOLD OUTPUT ON TARGET, BUT HOYTE SAYS IT COULD BE BETTER

Georgetown GUYANA CHRONICLE in English 21 Dec 84 p 1

[Text]

THE GUYANA gold mining industry has reached its production target of 10 000 ounces of gold for this year. This was announced Wednesday night by Prime Minister Desmond Hoyte, who, however, said that the production is still far below what is possible.

He also indicated that for next year the target will be 15 000 ounces. And for the first time a production target of 10 000 carats has been set for diamonds next year, he added. The announcement came from the Prime Minister while he was making a few remarks about the precious mineral mining industry at an annual function hosted by the Geology and Mines Commission at the Hotel Tower.

On this occasion, eight awards were given to gold and diamond miners for their outstanding declared production. Among these were the miners of the year for gold and diamond production. In addition, the Geology and Mines Commission and the Guyana Gold Board presented awards to their workers, some for long service and others for outstanding performances during the year.

Joe DeAgrella emerged the winner in a keenly contested race for the gold miner of the year award, and David

Bacchus far exceeded the production figures of his rivals to get the award for diamond miner of the year.

Miners making significant contributions for the year were, Alfro Alphonso, Desmond Shepherd, Francis Pestano, Patrick Periera and Eddie Gonsalves.

The joint workers of the year for the Guyana Geology and Mines Commission were H. Jules and Edgar Henry. The recipient for this award from the Guyana Gold Board was Raymond Khan. Cde Grantley Walrond, Commissioner of Geology and Mines received a special award for dedicated service.

The gold miner of the year is now entitled to four previously unworked claims on State land without paying fees for one year. A similar facility will be extended to the diamond miner of the year who will get three claims.

Cde Hoyte told the gathering of miners, and Government officials that he hoped for the continued dialogue between miners and the Government bodies.

He congratulated the Gold and Diamond Miners' Association for being able to have so many miners within its fold, and said that such an organisation helps Government to relate to the industry. (George Alleyne)

JAMAICA

BRIEFS

PNP ASYLUM REQUEST--Kingston, Sun., (Cana)--An opposition Peoples' National Party (PNP) official, Mr Enoch Blake, saying he fears for his life, has asked for political asylum in Britain. The request was made in the wake of his name being linked in Parliament by National Security Minister Winston Spaulding with a rise in violent crime here. "My family and I live in fear of our lives," Mr Blake said in a letter to British High Commissioner Martin Reid. He added: "I request that you view this as a request for my family and I to reside in the United Kingdom as a political refugee or having British Citizenship by naturalisation or under any other category." The High Commission has declined to disclose its attitude towards the application. Mr Blake, a lawyer and president of the PNP's Human Rights Commission, was named along with other PNP and Marxist Workers Party of Jamaica (WPJ) members by Mr Spaulding as being behind violence, supported by Cuba. No charges have been brought against any of the persons. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Jan 85 p 5]

CSO: 3298/337

ST CHRISTOPHER - NEVIS

TEXT OF SIMMONDS NEW YEAR'S MESSAGE TO NATION

Basseterre THE DEMOCRAT in English 5 Jan 85

[Text of New Year's message to the nation from Prime Minister Kennedy Simmonds]

[Text]

Fellow Citizens,

I take this opportunity to wish each and every one of you a Bright and Prosperous New Year. In this United Nations International Year Of The Youth, I issue a special word of encouragement to all of our young people, as indeed to the Nation as a whole, to rally behind your Government, as we seek to promote, within the realm of our possibilities, the best conditions for the education, job opportunities and quality of life in the overall development of our society.

In my Christmas Day Message I reviewed some of the programmes and policies which highlighted the recognition by my Government of our Interdependence in both the National and International context. I therefore think it is fitting that at the beginning of this New Year, with its fresh horizons and challenges, I should sensitise the people of this country to the importance of a national effort aimed at improving our individual and national productivity.

THE BUDGET'S THEME OF PRODUCTIVITY

As we embark upon the New Year, we have already, as it were, conducted a full and public discussion of Government's Budgetary Programme for the year 1985. It is left for me to underscore the budget's theme of productivity as one of Government's most sought-after targets. Productivity in the agricultural sector will enable us to become our own staple supplier of food. This will increase our economic viability, reduce our national spending on imports, and thereby eliminate what is now an enormous drain on our foreign exchange. This will require the individual effort of all of our farmers so that we can make use of our resources of fertile land and human industriousness to the maximum, with Government support acting as a catalyst. We must remember that the overall productivity of the Nation is but the sum total of the productivity of each and every one of us.

Productivity must also be a key word in industry, as we try to hold our own in the competitive jungle of the industrial world. We have shown a significant capacity in the field of electronics. The projections for 1985 are that there will be a substantial increase in employment in electronics and garment manufacturing. Workers have to be aware

constantly that we are in competition with the other countries of the world, but we will keep our work force employed by earning a reputation for productivity and quality of work.

MIAMI CONFERENCE

The recent Miami Conference which was so well supported by local business representatives afforded an excellent showcase for our attractions. But that is only one aspect of the matter. The investor must not only be lured here, he must be kept here. The Caribbean Basin Initiative has not yet borne fruit for us, and I laid unmistakable emphasis on this fact in Miami. But we did not go there merely to dwell on our adversities. But indeed to seek solutions.

EFFORTS TO STRENGTHEN ECONOMY

In spite of our efforts on many fronts, at stimulating development in the private sector, Government continues to be the largest employer of workers in this country. Wages and salaries are by far the heaviest allocation of Government's budgeting within the public sector and the Government Corporations. Because of this responsibility, Government has always been conscious of the personal and individual needs of its entire force of workers, whether they be employed in the Sugar Industry, or whether they be establishment or non-establishment employees.

However, it must be realised by all that Government's efforts to strengthen the economy must also be guided by the need to preserve and maintain employment in this country. The record shows that we have had a significant measure of success even during this period when the international economic climate has been so hostile that every country in the world, including the mighty United States of America, is plagued by unprecedented budget deficits, which is another way of saying Government debt. Every country in the world has to face the reality of reducing its deficit position, and ours is no exception.

PROSPECT OF MORE MONEY

I realise that everyone is attracted by the prospect of more money. Civil Servants would like an extra salary at Christmas. Non-establishment and establishment workers would like and no doubt deserve an increase. Sugar workers would like to get an increase, in spite of the fact that sugar is providing less and less. Government intends to keep its expenditure on salaries under review, in the light of economic circumstances, as has been promised.

BUT IT MUST BE RECOGNISED THAT BEFORE MONEY CAN BE PAID IT MUST BE RAISED, and some of the sources open to a Government for raising money, such as massive taxes and import duties, are even more unpalatable and unbearable than foregoing a hand-out that cannot be afforded. Government's ultimate responsibility is to achieve stability and growth in the economy and I feel it is my duty to carry out that responsibility with prudence and farsightedness.

SUPPORT AND SUBSIDISATION OF SUGAR

It is by now well known that the Sugar Industry which in years past provided the bulk of Government revenue and the bulk of our foreign exchange has gone into a period of extreme and unrelenting decline, not only here but worldwide. The demand for sugar has fallen off enormously in the major consumer societies preoccupied with what is now being commercialised as so-called undesirable side-effects of refined sugar. Besides, cane sugar has been all but priced out of the marketplace by stiff competition from cheap sugar sub-

stitutes of all kinds. Added to that is the drastic devaluation of the pound sterling, the currency in exchange for which we sell at least half of our sugar, from over \$6 to the pound in 1979 right down to about \$3 now. This decrease in price has been compounded by an accompanying rise in production costs. This predicament received yet another setback with the news just three months ago that we had suffered a 25% cut in our U.S. sugar quota, a blow which forces upon us the necessity to find a way to compensate for a revenue loss of almost five million dollars.

For some time now, Government has been shouldering a constant burden for the support and subsidisation of the Sugar Industry in order to protect the livelihood of workers. We have succeeded in ensuring that the sugar workers in this country will have a continued source of employment come the start of crop, which we are working hard to ensure will occur early in January. I would like to solicit the continued cooperation and understanding of all who work in the Sugar Industry, as well as in the various areas of the Public Service, which must of necessity ALSO be affected by the fortunes of the Sugar Industry.

10-YEAR REHABILITATION PLAN

Government continues to bring significant relief to the working population by maintaining its abolition of Personal Income Tax, by the completely tax-free budget of 1984, by this year's budget which is devoid of taxes on essential items, and by its overall programme of economic diversification. Government has commissioned the design of a 10-year rehabilitation plan to re-establish the economic viability of the Sugar Industry. Some aspects of the plan related to the by-products of sugar are expected to come on-stream in 1985.

Tenders have already been sent out for the start of a Six Million E. C. Dollar project funded by the Caribbean Development Bank for the production of electricity from bagasse. A Five Million E.C. Dollar USAID Project for Soil Conservation in St. Kitts and Water Development in Nevis will start this month. Government has also entered into an agreement with private investors for the setting up of an Alcohol Factory, in close collaboration with the Sugar Factory and the Bagasse Project.

The significance of these projects is that in addition to the sugar which will be produced, they will give rise to end-products which, are perhaps in greater demand than sugar itself and so can assist in improving the economic returns from the existing industry, to the obvious benefit of all of the sugar workers. Sugar workers should therefore realise that while we are holding the line with wages and bonuses which are already quite good, we are protecting their jobs now, and implementing policies to preserve those jobs for the future.

INTERNATIONAL YEAR OF THE YOUTH

1985 has been designated by the United Nations General Assembly as The International Year Of The Youth, and the themes for International Youth Year are participation, development, and peace. Government has set up a National Co-ordinating Committee here, which will constitute the official local organ for overseeing the activities of the year. Education will receive a special focus, including skills training and opportunities, with the objective of stimulating personal development in a competitive society. This will go hand in hand with Government's decision to embark upon an increased emphasis on the improvement of school and educational facilities for young people.

In my Christmas Message, I examined the recreational and sporting opportunities being created by Government throughout the country. But in addition to that, this year Government will commence disbursement of funds for the implementation of its tertiary level (that is, University Standard) Programme. Government will also begin spending E.C. \$931,122 to improve Cayon High School; E.C. \$438,102 to improve Sandy Point High School; and E.C. \$297,540 to improve Molineux Primary School. Tentative approval has been received for the receipt of E.C. \$2.3 million to construct a brand new St. Johnston Village Primary School. All of these funded by aid programmes the Government has been able to negotiate through our vigorous foreign policy.

CARIBBEAN'S FREEST NATION

Fellow Citizens, we must realise that the image we create on the International Scene can impact for good or ill upon our development, touching the daily lives of all of us. This is why it is a source of great satisfaction to me, and should be to all of us, that St. Kitts and Nevis has been designated by independent observers as the Caribbean's Freest Nation - replacing Barbados in that prestigious position. It is a tribute to my Government's record on individual human and political rights and gives the lie to those who sought to tarnish our good name. This designation as the Freest Nation in the Caribbean will attract investors to our shores, to the benefit of all of us.

Fellow Citizens, let us make 1985, International Year Of The Youth, our National year of productivity. Let us join forces to maximise our National output and build a reputation in the outer world for reliability, outstanding quality and productivity in the workplace. In the meantime YOU CAN REST EASY, KNOWING THAT YOUR GOVERNMENT'S RECORD OF PROTECTING YOUR RIGHTS AND FREEDOMS IS UNPARALLELED ANYWHERE.

Once again, I wish you all a Happy New Year filled with the satisfaction of individual and National achievement and continued FREEDOM. God Bless You All.

CSO: 3298/338

ST LUCIA

BRIEFS

AID REQUEST TO NETHERLANDS--Castries, Sun., (Cana)--Saint Lucia is seeking the assistance of the Netherlands Government in the export of a number of selected products. Government says it has already prepared a list of 48 items for which there appears to be potential for export particularly in the United States under the Caribbean Basin Initiative (CBI). The Export Promotion Unit of the Ministry of Trade and a small group of local manufacturers recently met here to identify areas in which they might require guidance in response to an offer of assistance by the Centre for the Promotion of Imports from Developing Countries, an agency of the Netherlands Government. This agency, according to a Government statement here, is pledged to promoting the exports of developing countries to Holland by sponsoring participation in fairs and exhibitions and orientation seminars. It maintains a merchandise test centre, where samples of products from exporters and manufacturers in developing countries are kept on display in the Netherlands. Assistance in produce design is also being made available. Government recently collaborated with the International Trade Centre and the Caribbean Development Bank in a project to identify the export potential for soft furnishings, perfumes and cut flowers. However, Trade Ministry officials say that in these matters, they are only able to move as fast as individuals in the private sector are willing to. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Jan 85 p 5]

CSO: 3298/339

TRINIDAD AND TOBAGO

FURTHER RAMIFICATIONS, CRITICISM OF PROPOSED BUDGET NOTED

Tapia Leader's Comment

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jan 85 p 3

[Text]

THE NET effect of the 1985 Budget will be to impose hardships on those in the society least able to bear it, according to Dr Bhoendratt Tewarie, Chairman of the Tapia House Movement.

In a prepared statement, Dr. Tewarie claimed that there was no vision for the future he said that "an integrated approach to the economy is totally lacking."

He said: "The 12 per cent stamp duty on all bills of entry will have a brutal effect on the cost of living for all of us, but obviously will be hardest on the low income families and poor people in general."

Describing it as a harsh measure, he said it would increase the cost of living significantly by reducing the purchasing power of the dollar.

It would not only affect imported items, he noted, but also locally manufactured items made from imported raw materials.

Dr. Tewarie said that the 12 per cent tax on imports "also reveals that the thrust on the 1985 Budget is not as Prime Minister George Chambers claims to effect the structural changes in the economy or to come to terms with the realities of adjustment, but simply a measure to create a new source of revenue for the Government.

CONFUSING

"If revenue is what the Government is after," he added, "then the more we import the more revenue for the Government." Dr. Tewarie asked: "How does this measure then address the issue of transformation of the economy? What are the realities of adjustment involved here?"

Mr. Chambers's plan for conserving foreign exchange was equally confusing, Dr. Tewarie stated.

He said, too, that it was significant that imported foods was exempted from the 12 per cent stamp duty, and if the thinking of Government was that the 12 per cent imposition would reduce imports, "then clearly the Government has no desire to discourage the importation of food."

He also noted that subsidies to farmers had been withdrawn. This he said, would be a disincentive to farmers at home, "and if we continue to import foodstuff at the rate that we have been importing, I don't see how we can hope to conserve foreign exchange."

UNEMPLOYMENT

The Budget, he noted also gave little new information on negotiations with Trinidad Tesoro and on joint venture negotiations on ISCOTT.

According to Dr. Tewarie, the Budget hardly addressed the chronic unemployment problem in the country.

Referring to DEWD and Caroni Dr. Tewarie stated that the case of the workers in DEWD and Caroni did not simply involve economics. "It raises serious moral questions for the Government and will determine once and for all, whether or not this nation has a conscience and whether as a people we are capable of justice, morality and fairplay."

Dr. Tewarie stated:

"This is Mr. Chambers's fourth Budget since he assumed office as Prime Minister. Nothing he has done so far has addressed squarely the problem of restructuring the economy for long-term development and sustained growth. Moreover,

the measures in this particular Budget are at cross purposes."

Dr. Tewarie added: "We cannot hope to stimulate exports while hoping for maximum revenue from taxes on imports. We cannot stimulate food production without curbing imports and offering incentives to farmers."

Private developers will not find it easy to finance huge projects in a situation of tight credit.

Agriculture, industry and technology cannot be treated as separate entities, which have little or no connection with each other.

We cannot conserve foreign exchange without cutting down the \$4.5 billion annual import bill."

Government 9-Month Spending

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jan 85 p 4

[Text] During the first nine months of 1984 government spent more than \$1,000 million to further promote the development and diversification of the economy.

In addition government assisted state enterprises by guaranteeing over \$2,000 million in several local and foreign loans and credits that these companies negotiated.

"The sum of \$1,080 million was injected in the form of equity, loans, advances and subventions which represented an increase of \$389 million over the level for the comparable period of 1983," it was stated in the Review of the Economy 1984.

Energy

"The sectors in which major investments were undertaken were energy (\$678 million), agriculture and agro industries (\$248 million), transport and communication (\$53 million), finance (\$15 million), and other services (\$79 million).

The Iron and Steel Company of Trinidad and Tobago (ISCOTT) received \$402 million in advances--the highest investment in the energy sector.

Trinidad and Tobago Oil Company (TRINTOC) received \$155 million to continue its processing agreement with Texaco. The National Energy Corporation (NEC) was the beneficiary also of \$122 million.

Project, Department Allocations

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 7

[Text] GOVERNMENT has set aside more than \$1.5 billion to fund long-term projects in various departments during 1985. The figure is actually lower than that in the 1984 estimate — \$2.1 billion to finance long term projects in Ministries last year.

This year, \$1,500,535,900 has been allocated to the Ministries for this purpose. The figure includes an allowance of \$600,000 in loans and grants to Statutory Authorities.

The largest sum \$490,000,000 — will go to the Ministry of State Enterprises to finance eight funds.

The Ministry of Education will receive \$235,650,000. The Ministry of Public Utilities and National Transportation has been allocated \$170,650,000, and the Ministry of Housing and Resettlement, \$169,000,000.

This year the Ministry of Finance and Planning will receive financial aid for long-term projects to the tune of \$76,718,000 and \$51,708,500 has been set aside for the Ministry of Agriculture, Lands and Food Production. More than \$97 million will go to the Ministry of Works.

The Ministry of Community Development and Local Government is slated to receive \$50,000,000 while the Ministries of Industry and Commerce and Health will get \$31,745,000 and \$23,625,000 respectively.

LESSER AMOUNTS

Lesser amounts have been allocated to the following Ministries:

- Ministry of Sport, Youth Affairs and Culture — \$9,940,000.

- Ministry of National Security — \$9,700,000.

- Ministry of External Affairs — \$5,000,000.

- Ministry of Labour, Social Security and Cooperatives — \$4,204,400.

- Ministry of Energy and Natural Resources — \$2,000,000.

Included in the overall allocation is provision for long-term development projects by the Tobago House of Assembly. The THA is to receive \$46,405,000 from which eight developmental funds will benefit and \$25,000,000 has been set aside for the Tobago Central Administrative Services.

The Personnel Department is the only sector not covered in the 1985 estimates as figures for this department are still being prepared. The 1984 provision was \$27,500,000.

Panday Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 1

[Article by Clewon Raphael]

[Text] The 1985 Budget is a document without policy objectives, without direction and purpose and nothing short of an admission of the failure of Government to deal with the problems that confront the nation.

Opposition Leader Mr Basdeo Panday made this statement when he opened the debate for the Opposition on the 1985 Budget in the House of Representatives yesterday morning.

In his contribution which lasted almost 75 minutes, Mr Panday criticised the provisions in the Budget presented by Prime Minister Mr George Chambers in his capacity as Minister of Finance last week Wednesday.

Mr Panday was also critical of Government's spending of \$50 billion from 1973 to 1984.

He charged:

"By a dedicated process of corruption, maladministration, mismanagement, nepotism and inefficiency, this PNM Government has succeeded in achieving what to others would seem impossible.

They have been able to spend such huge sums of money and still fail to provide a mere 1.2 million people with their most basic needs, such as water, roads, electricity, housing, health facilities and sporting facilities.

Despite the availability of such vast financial resources, this Government failed to diversify the economy, failed to provide the basic infrastructure for economic development, failed to expand the productive base of the economy so as to ensure self-sustaining and self-generating economic growth.

Square One

Where has the money gone? We do not know. But it has gone, and now we inevitably find ourselves back to square one as we were before the petrodollars began to flow."

Mr Panday began his contribution saying he felt that the Budget should not be debated and instead the Opposition should simply have called for the resignation of the Government. He said it became clear to him that the Government did not know its function [word blurred], if it did, it did not have a clue as to what was to be done in the present circumstances.

The Budget, he argued, gave the impression that it was written by several persons who were not on speaking terms with one another.

Backing up this point, he referred to the statement that appeared so often in the Budget that the burdens of adjustment in these recessionary times must be shared equally by the citizens.

Mr Panday contended:

"That can only mean that those who benefited most from the boom period should bear a heavier share of the burden than those who benefited little or not at all.

It could not possibly mean that those who are pensioners or on small fixed salaries must pay the same taxes as those who, because of the boom years, are now earning in excess of \$10,000 a month.

Surely, that would be to impose a relatively higher burden on the poorer sections of the society. In other words, you cannot mere our equal treatment to unequals and hope to achieve the objective of equality of treatment."

This, he said, was borne out by the imposition of the 12 percent duty on all imported goods (except food and drugs); the ten percent levy on foreign exchange for vacations and other measures which would result in higher prices for most goods.

Stressing that the only hope Government had for getting the country out of the mess was to pray for the return of high oil prices. Mr Panday also said the predicament "poor depositors" found themselves in as a result of problems experienced by finance houses last year was to be blamed on Government.

Government, he contended, through the Central Bank, was not monitoring these institutions.

On a threat by Mr Chambers to apply corrective measures to commercial banks which did not implement more liberal rates and charges for bank services, Mr Panday questioned why this example could not be set by the state-owned National Commercial Bank.

Texaco Purchase

Mr Panday, who also chided Mr Chambers for making a "premature" statement on the purchase of the assets of Texaco Trinidad Incorporated, also criticised the Prime Minister for allegedly blaming the leader of this country's negotiating team for Mr Chamber's "faux pas."

On the private sector, Mr Panday said what minimal assistance was given to local manufacturers was being taken back.

He explained:

"The 12 percent stamp duty on all bills of entry is a retrograde step and it is in conflict with the Government's lip-service being paid to export manufacturers.

This is bound to have the effect of increasing the cost of imported raw materials, not merely by 12 percent, but by much more. This is bound to make our exports less competitive in the international market.

On the one hand you encourage the businessman to go abroad and search for markets and on the other hand you slap a ten percent sales tax on all foreign exchange for business travel.

You say you are encouraging the export of local rum, beer, wines and spirits in one breath and in the next you increase the excise duty and licence fees payable by distillers and brewers.

The Budget, he added, said nothing about one of the most pressing problems facing the country--unemployment.

He declared:

"The Prime Minister does not offer a single proposal for dealing with this problem. It seems to me that the Government intends to ignore the cries of the unemployed.

In order to pursue its stringent IMF formula for recovery, it is clear to me that the Government intends to use the army, the police and the jails to contain the legitimate struggles of the people for peace, bread and justice.

Word of Warning

But I utter a word of warning; if they sow the wind they shall reap the whirlwind, and if they sow the storm they shall reap the hurricane."

The Budget, Mr Panday said, also contained no provision to deal with tourism and the greatest constraints to productivity--graft and corruption, maladministration and inefficiency, nepotism and political patronage.

An Alliance Government, he said, would have adopted a number of measures such as examining the ways and means of reducing the cost of running the Government (initially it would reduce the size of the present Cabinet), abolish useless Ministries (Information Ministry was one which would go); and would raise revenue by embarking upon a programme of divesting the shares of some state-owned enterprises.

Exporters would be encouraged by providing meaningful incentives and removing the present constraints in this direction; a free port would be established at Cedros, establishment of a fish farm in the Gulf of Paria in joint venture with Venezuela.

Panday Proposals

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 3

[Text] Opposition Leader Basdeo Panday has suggested establishment of a free port at Cedros and encouraging trade with Latin America. Mr Panday was speaking during debate on the 1985 Budget in the House of Representatives yesterday.

Opening the debate on behalf of the Opposition Alliance, he outlined some of the provisions which would be made by an Alliance Government.

He said that an Alliance Government would in co-operation with the business community organise an annual inventors and innovators fair offering prizes for inventions and innovations which served the national interest, including exports.

He said: "We would concentrate on the development of tourism in Tobago, creating there a tourist haven for both foreign and local tourists so that the industry could sustain itself during the off-season period.

"We shall seek to fish farm the Gulf of Paria in joint venture with Venezuela and so end the long outstanding fishing dispute between the two countries.

He said that the development of trade with Latin America would be high on the list of priorities of the Alliance. The negative list should be substantially reduced with a view to its eventual abolition.

Financial Centre

He said: "Because of its geophysical and geopolitical position, Trinidad and Tobago could well become the financial centre in Latin America and the Caribbean."

The Alliance regarded the questions of marketing and guaranteed prices as of primary importance. "These problems cannot be resolved without a plan for the establishment of downstream agro-industries, processing, storage and marketing.

Mr Panday said that with the political will, agriculture could be geared to serve the functions of providing food at reasonable prices, raw materials for industrial activity, conserving and eventually earning foreign exchange and to provide well-paid jobs.

He said he was happy to see Government adopt in part the Alliance policy on housing but he felt that Government had only copied the form, since the substance was missing.

"We are conscious of one overriding fact, and that is that no matter how economically sound, no matter how technically perfect are any plans for economic advancement there can be no movement forward unless we first unite our people as one family and one nation."

National unity, he said, was the sine quo non for national progress.

"Unless we can end the feeling of alienation that so many of our people feel, unless we can surmount the historical suspicions and antagonisms that exist in our highly-plural society, there is little hope for us, he added.

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 3

[Text]

THE JOINT Grouping of Trade Unions (JGTU) plans to formulate a programme of action to ensure that levels of employment are improved and living standards maintained in spite of policies outlined in the 1985 Budget.

This will be one of the main issues on the agenda of the group's next forum to be held on Sunday at OWTU Headquarters, Paramount Building, San Fernando.

First and Second rank officials from trade unions are expected to take part in the forum.

They are to discuss problems affecting the trade union movement in the context of the 1985 Budget and the attitude of employers.

High on the agenda will be an analysis of the Budget to be presented in document form. This will be the

result of an analysis by a JGTU-appointed committee.

The forum will also look at unresolved labour disputes including the issues of the referral of the Joint Negotiating Team's (JNT) dispute to a special tribunal.

Additional Government Allocations

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jan 85 p 6

[Text]

A NUMBER of allocations has been made towards the funding of long-term projects in ministerial departments in 1985, overall involving \$1.5 billion.

Receiving a substantial allocation is the Ministry of Public Utilities and National Transportation which will obtain a total of \$170,650,000 to finance its long-term projects.

This figure will be divided with the Public Utilities sector receiving an estimated \$89,300,000, while the National Transportation Division will obtain a total of \$81,350,000.

Within the Utilities budget, T&TEC will fund its long-term projects with an allowance of \$46 million, which will be divided among its generation, transmission and telecommunications Units.

From the same figure allocated to the public utilities, the Water and Sewerage Authority will receive a total of \$39,600,000, and the Government Printery, \$1,000,000.

Within the same ministry's National Transportation sector, Civil Aviation and the Airports Authority are slated to work and improve their long term projects with a sum of \$33,600,000.

SUBSTANTIAL FIGURE

Another substantial figure — \$23,300,000 has been set aside for the Port Authority, while the Public Transport Service (PTSC) will obtain

\$19 million with which to finance its development projects.

The Ministry of Education also receives a major allocation to carry out its long-term projects in 1985, overall \$235,650,000.

Within this figure will come an allowance for projects in primary and secondary education of \$37,000,000, teacher development: \$750,000, Technical Assistance: \$2 million, and Library Development: \$3 million.

Some \$2 million has been set aside for development of the National Library Complex (NIPDEC), and another \$100,000 for recruitment and settlement of nationals.

Along the lines of the Ministry's long-term project budget tertiary education will obtain \$191,000,000. This will be divided among the UWI Faculty of Engineering (\$46,000,000), the Hugh Wooding Law school and the Mt. Hope Medical Complex (\$145,000,000).

Also benefiting substantially from the long-term development programme will be the Ministry of Health whose total allocation for the year will be \$23,625,000. This will be distributed among the following divisions together with others:

- General Hospitals — \$20,000,000.
- Health Centres — \$945,000;
- Medical staff quarters — \$900,000;
- Dental Training school — \$1,500,000;
- Improvement to Health Services (IADB) Loan — \$280,000.

Emphasis on New Jobs

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jan 85 pp 4, 7

[Text] The Trinidad and Tobago Chamber of Industry and Commerce, while acknowledging the critical role of oil and natural gas in the economy, has suggested the country's first priority is the creation of new jobs followed by the development of tourism and agriculture.

These proposals were contained in recommendations proposed by the Chamber to Senator Anthony Jacelon, Minister in the Ministry of Finance, October 3, 1984 for consideration in preparation of the 1985 Budget.

The recommendations were formulated by a committee under the chairmanship of Geoffrey Smith, chartered accountant and included executives from Finance and Banking, oil, construction and housing, manufacturing, distributive trade and tourism.

The committee was unable to meet with the minister as requested.

Despite the economic crisis, the committee said high unemployment, particularly among those who are leaving or just left school, is appalling and leads to instability and moral degeneration in the society.

"Perhaps, therefore, the first priority at this time is the creation of new jobs and possibly the provision of money for youth training schemes," the committee proposed.

"Despite a massive effort over the past ten years, there is still considerable work to be carried out in relation to infrastructure of both Trinidad and Tobago."

If tourism is to become a viable industry within the remainder of the century, the committee suggested much has to be done and there remains a surplus labour force in which to do it. It is still early, if emphasis is to be placed on tourism, to improve infrastructure, and airport and berthing facilities in Tobago.

"The amount of expenditure to be incurred by investors on the construction of hotels is beyond the financial capacity of local entrepreneurs," the committee said.

"Therefore, it is incumbent upon those responsible to attract foreign investment of very substantial amounts."

There are many hotel chains internationally, the committee reported, that would eagerly accept such contracts but bureaucracy must be eliminated. Construction of these hotels, however, would be considered only if international airlines are allowed to land directly in Tobago to appease the demands of the lucrative charter business.

"The Chamber wonders what consideration has been given to the proposals already put forward to allow the whole of Tobago to become a freeport," the committee queried. "This is a highly exciting and somewhat complex idea but when one sees how this has attracted tourists to the Netherland Antilles, Manaus in Brazil and Margarita, Venezuela, consideration should surely be given to a similar status being afforded in Tobago.

"Making Tobago a freeport might in itself be a first step to giving the whole country similar status if it is proved to be an economic success."

Agriculture, also, with proper incentive, can alleviate significant unemployment, save foreign exchange and contribute more to the economy than other sectors besides oil, gas and downstream by-products, the committee suggested.

"The country faces an import bill for agricultural products of approximately one billion dollars which will be increased if drastic measures are not taken to encourage our people back to the land," the committee reported.

"Any return to the land cannot be achieved overnight and the committee is of the opinion that priorities must be established so that in the shortest possible time a stronger agricultural economy emerges."

The agricultural industry diminished so significantly that cocoa production dropped from 10 million pounds ten years ago to less than five million pounds today. The country now imports coffee beans to meet the needs of local manufactures, the committee revealed.

"Cocoa and coffee are in great demand and Trinidad is in the unique position of having one of the best flavour cocoas in the world," the committee said. "Every encouragement should be given farmers to rehabilitate their holdings of cocoa and coffee, as not only are these crops immediate earners of foreign exchange but in addition, a considerable amount of food crops for local consumption are produced on these estates, i.e., bananas, plantain, yam, tannia, cassava and pumpkin."

Extensive recommendations were proposed by the Agricultural Committee set up at the National Consultation on Productivity, May 24-26, 1982, and the committee suggested government study and implement the comprehensive recommendations.

Still the committee recommended the government provide guarantees to commercial banks of a specific percentage of loans to farmers to improve development or rehabilitation as is done in many developed countries.

Interests on loans, the committee suggested to agricultural farmers, should be exempt from corporate or income tax provided the rate is not in excess of a required maximum and it is for approved purposes.

--The limitation in size and use of approved agricultural holdings outlined in Section 12 B (5) of the Ordinance should be removed to enable profits from all commercial farming to be exempted from taxation.

--Land tax should not apply to approved agricultural holdings.

In addition the committee said the system of granting subsidies is "overly complex and virtually impossible to administer efficiently." Subsidies to farmers should be paid "at source" especially fertilisers, insecticides, fungicides, and feed.

The committee further proposed subsidies be paid when farmers produce to the competent authorities, authentic bills of lading or Freight on Board (FOB) consignment notes to ensure exports are competitive.

"It is recognised that agriculture will never be able to pay comparative wages to the oil industry and other industries," the Committee admitted. "But if encouragement is given to farmers in the way of guaranteed prices, improved infrastructure such as roads, electricity and water, it is felt that a considerable number of persons who now hold abandoned or semi-abandoned lands would be encouraged to return and develop their holdings."

Look at Oil Industry

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jan 85 p 3

[Text]

GOVERNMENT has been asked to give serious consideration to divesting marginally-producing oilfields to local entrepreneurs after Government acquires Texaco Trinidad Incorporated and Trinidad Tesoro Petroleum Company Limited.

Mr. Kelvin Ramnath, the Opposition Member for Couva South, who made this suggestion in the House of Representatives when debate resumed on the 1985 Budget yesterday, estimated that Amoco Trinidad Limited would realise \$150 million based on tax concessions granted last year.

Opposition's spokesman on energy and natural resources, Mr. Ramnath, a petroleum engineer, was involved in a clash with several Ministers and the Speaker after he read a legal opinion on the International Trust Limited (ITL) affair.

Mr. Ramnath criticised Government for "not telling the population the truth" about the oil industry and cautioned that this country had little if any influence on the international oil scenario.

"Our industry should be developed to realise the utmost benefits to the population," he said.

Oil companies abroad were trimming their operations and he questioned why there was no substantial improvement in land production by local companies despite concessions made to them via the Supplemental Petroleum Tax.

NEW RESERVES

He asked what evidence Prime Minister and Minister of Finance George Chambers had to support his statement that these companies would in fact increase their land production.

Mr. Ramnath said it was curious that the companies increased their production as soon as word was spread about plans to give them concessions.

Based on his own rough calculations, he estimated \$150 million relief to Amoco after paying Government some \$700 million hoped that the company would use some of that money for new reserves.

Emphasising there was nothing from the Government dealing with the long-term development of the oil industry, Mr. Ramnath lamented there was no assurance from the Government about when the Texaco negotiations would be concluded.

He added: "The time has come for a comprehensive plan to keep the local oil industry alive."

"We have seen the retrenchment of some 18,000 workers in the industry during the last 18 months. This comprehensive plan will not allow for only increased revenue but it will also create opportunities for generating further employment."

Consideration, he said, would have to be given to the divesting of marginally-producing fields to local entrepreneurs when Government has taken over these companies.

PUMPING STEAM

He said: "The time has come for local people to become involved in oil production. We have people with the experience in the industry to go into it as a commercial venture."

Mr. Ramnath referred to people like engineers, geologists and operators and noted it would be interesting to see an engineer pumping steam into a well in an area like La Brea. There should also be a production incentive scheme.

"It is important that we consider these proposals in a very serious study of the future of the industry in Trinidad and Tobago."

"We have to upgrade the Pointe-a-Pierre refinery. We will also have to consider reducing the staff there but without affecting the workers' security," he added.

Turning to ISCOTT and PLIP-DECO which he described as "my favourite companies," Mr. Ramnath quoted extensively from the second report of the Essau Committee to support his contention that unless drastic measures were taken, ISCOTT would continue to be a burden on the taxpayers.

He accused State Enterprises Minister Ronald Williams of attempting to deceive the population when he said during a television interview that the Essau Report was outdated.

A member of the Public Accounts (Enterprises Committee), Mr. Ramnath called for Government to give the committee some teeth to enable the on-going monitoring of the State-owned firms under its aegis.

He also cautioned Government about getting more involved in methanol when internationally it was not attracting high financial returns.

Blast at Tobago, Robinson

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 16

[Text]

TOBAGO is not the axis of the world. Tobago is not the axis on which Trinidad and Tobago spins.

An obviously angry State Enterprises Minister Ronald Williams told this to the House of Representatives Tuesday during his contribution to the 1985 Budget Debate.

Mr. Williams, who began his contribution by taking a verbal swipe at the National Alliance for Reconstruction, said that for the past three years Parliament had been regaled time and time again on the Tobago issue and "now that the politicians have done talking it is time to come down to plain facts."

He added: "Tobago is not the axis of the world. Tobago is not the axis on which Trinidad and Tobago spins and I do not care what the politicians think."

"We have gone through these exercises for the last three years to find out the result, and the results was that 8,000 support the PNM and 11,000 support the DAC."

"That is what has been demonstrated in Tobago, and now I am fed up day after day coming to this Parliament to hear about Tobago, and when my friend the Member for Caroni East (PNM, Manic Ramsaran), raised some problems about his constituents they (the Opposition) say that is not a subject for the Budget debate."

The expression in the National Anthem "side by side," he argued was meant to envisage the federal con-

cept, but he contended: "Sir, my son and I stand side by side. But do not tell me, yes he is part of my family, but he is not equal to me. Equal partners! Every single citizen of Trinidad and Tobago, whether they live in Trinidad or they live in Tobago, has equal rights."

They had equal rights to be the Governor of the Central Bank, to be the Chief Personnel Officer, the Permanent Representative to the United Nations, to buy houses in Ellerslie Park and also equal rights to come to the Parliament every Friday.

"That is what equality is all about. So for heaven sake how can a small island of 40,000 people with 28,000 votes be equal to Trinidad. How can the part be equal to the whole.

"The Honourable Member for Port of Spain North has about 20,000 voters in his area. And I have about 20,000. And the Member for Port-of-Spain East has another 20,000. I do not know whether we should ask for our own House of Assembly.

"And they are talking about their natural gas. The only natural gas Tobago has is Robinson."

Tobago MP's Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 16

[Text]

REP. PAMELA NICHOLSON (Tobago-East) told the House of Representatives on Tuesday that reports about Tobagonians being insular were untrue. Tobagonians were going through historical change and wanted to run the day-to-day affairs of the island for themselves, she added.

"We are tired of being undeveloped and would like to see Tobago go ahead within the unitary state of Trinidad and Tobago," she said.

Miss Nicholson said if Tobagonians were talking about secession it was what the Government had done in Tobago. The more problems created by not resolving the awkward situation, the people of Tobago would have to come up with new ideas.

Making her contribution on the Budget debate, she said she did not know whether there were two Permanent Secretaries for Tobago, but in the Estimates she saw one Permanent Secretary under Administration and another under Supernumary.

Another situation existing in the Estimates, she said, was the "absurd way in which the Tobago House of Assembly's estimates were being handled. Under development, \$46,405,000 was shown.

"You know what is happening, the Ministry of Finance has determined how that money is to be spent, but, what Tobagonians are saying is 'give us our funds and let our representatives decide our priorities.'"

Miss Nicholson said that the people were calling for the spending of the money and not to tell the Chairman and his Assembly how it should be spent, because that procedure was wicked and absurd.

She said Tobagonians were calling for autonomy, because when one looked through the other estimates, it could not be seen that what was happening to Tobago was happening in any other ministry.

Miss Nicholson called for the development of tourism as that was the area where a breakthrough could be made with foreign exchange.

Tourism was the area where there were the most women employed in Tobago and lots of funds and foreign exchange could come into the country.

TWO CUBICLES

She said the Tobago House of Assembly had a representative in the person of Dr. J.D. Elder, who knew quite a lot about culture and who had done feasibility studies in handicraft.

"There is nobody more experienced than Dr. Elder, who is now an old man and whose knowledge should be used now before the time comes when he can do no more," Miss Nicholson added.

She said it was very frustrating to see what was taking place just because Government wanted to set up some jobs for some party hacks. It was also undesirable that culture should be under Central Administrative Services for Tobago (CAST).

Miss Nicholson, referring to health, commented on the psychiatric patients being housed with medical pa-

tients and related how sometime ago a mentally-ill patient strangled another patient.

After commenting on her experience with a pregnant woman who was in a serious condition and whose husband, after breaking down had to go running in search of a doctor to save his wife's life at the casualty department of the Scarborough Hospital. Miss Nicholson called for the grouping of health under the Tobago House of Assembly.

She said that there were just two cubicles at casualty where one doctor functioned. There was no privacy at all and "as a woman, when you look around you just see male faces in the cubicle."

Miss Nicholson reminded the House that during the debate last year, she raised the thorny issue of the staff situation at the THA which in a nut-

shell was that they were all in acting positions — even the Clerk of the Assembly.

Last week, she added, the staff asked her and the Tobago West parliamentary representative, Mr. James Ogiste, to raise the matter again during the debate because they were very concerned about job security and tenure.

Reviving memories of the November 29 Tobago elections in which DAC retained control of the Assembly by an increased margin, Miss Nicholson hoped that before the end of the debate she would hear something positive about the relationship between the THA and the Central Government, from Prime Minister and Minister of Finance, George Chambers.

National Alliance Views

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 1

[Article by Clevon Raphael]

[Text] A National Alliance for Reconstruction (NAR) government with \$215 million of taxpayers' money would provide 80,000 housing lots, minimum size 5,000 square feet each, in addition to the basic requirements of land for agricultural, social, recreational, commercial and industrial needs.

Parliamentary Representative for St Augustine, Mr John Humphrey (Opposition) who advanced this proposition in the House of Representatives during the Budget debate yesterday, invited response from Government to several proposals dealing with rationalisation of the sugar industry, ISCOTT, DEWD and BWIA.

Mr Humphrey closed his presentation with a moving plea for national unity to tackle the economic and social problems facing the country and was personally congratulated by several Government ministers for the sincerity and depth of his contribution.

The member, dealing in the main with land and housing, noted that according to the 1985 Budget Speech, Government in six years, provided 10,802 housing units for approximately 50,000 beneficiaries at a total cost of \$1,278 million.

The average cost per unit, he said, was \$118,300 and in that period Government's programme provided for only four percent of the population and, in 1985, a possible further one percent may be served.

Noting that the 1985 budgetary allocation for the Ministry of Housing was \$215.7 million, Mr Humphrey said if he was in charge of housing in a NAR government, he would use that money for the housing units.

He continued:

"There would be no idle earth working equipment or professionals or earth work contractors in the country. If I had a say in running the Government, Mr Speaker, block manufacturers, concrete product manufacturers, sawmilling, and pipe manufacturers would be working overtime."

Political Reality

Pointing out to members of the Government side that NAR, which comprises opposition political parties, was a political reality and there was no question of any conflicting ideologies within the group, Mr Humphrey said on rationalisation of the sugar industry that Government should invite the local private sector and workers and their trade union to participate with Government as equal partners.

Also, the same invitation should be extended in relation to the purchase of the assets of Texaco Trinidad Incorporated and, in both cases, workers should be lent the money to purchase one third of the equity on soft terms, allowing them to repay out of profits, their own savings and from what they may be able to negotiate in their future industrial agreements.

He continued:

"If ISCOTT will be making a profit in a year to 18 months as the Minister of State Enterprise indicated, offer equity participation not only to a foreign partner but also to the local private sector and the workers.

Offer this now, before the negotiations with the foreigners are concluded so that the two other sectors of the economy will be represented in the negotiations.

Do the same with BWIA but, in addition, invite our Caricom partners to participate with us in a restructured airline.

In short, Mr Speaker, we are inviting the Government to accept our strategy for economic reorganisation, a strategy based on unity, so that while we experience rapid economic expansion, we also achieve a change in the structure of ownership of capital, bringing all the people in as shareholders."

DEWD, he suggested, should be continued but it must be redirected into a massive training programme of the workers who will be needed as the industrial base of the economy.

"The methods of training we propose is to put DEWD workers side by side with a skilled worker as his apprentice and through organised training schemes at the work place prepare our unskilled people to take their places in the ever expanding tri-sector partnership enterprise.

In a stirring plea for both sides to come together for the national good, Mr Humphrey quoted National Security Minister John Donaldson who in his contribution on Monday said:

"The secret of survival in the lean years lies somewhere in these mythic shadows. The most basic human need of all is the need to be human which in an age of scarcity means being in psychological and biological harmony with the rest of creation." Mr Humphrey said he wanted to add to this "and with each other."

A New Era

The member of St Augustine said the statement changed his feeling toward the Minister with whom he had always been at variance in Parliament.

Calling for the implementation of the good old parliamentary convention of the Prime Minister consulting with the Leader of the Opposition on matters of national importance, Mr Humphrey sincerely hoped that 1985 would be the start of a new era in the country's history.

"If we can come together as a people, then there is no problem that the country faces that we cannot solve." He also suggested that DEWD and Sou Sou Lands programme could cooperate in areas of national development and that the Minister responsible for the DEWD (Mr Hugh Francis) had already agreed in principle with the suggestion.

"We have set the example. We have all been guilty. I, too, have been guilty because I am only human and we all respond to negatives. We must unite and I hope we will seriously consider some of these ideas."

The lunch adjournment was taken immediately after Mr Humphrey's contribution and several ministers and Government backbenchers shook Mr Humphrey's hand in congratulating him.

One of them said: "You have made me feel that it is still worth while staying here."

Another Minister told him: "Excellent presentation...you must teach your colleagues to speak like you...it was wonderful."

Budget Increase

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 1

[Text] Trinidad and Tobago's 1985 Budget has been increased by more than \$1.4 billion. This follows amendments to the Appropriation Bill which originally was \$7.4 billion, presented by Prime Minister and Minister of Finance Mr George Chambers, in the House of Representatives last week.

The debate continued late last night with the closing address by Mr Chambers.

Amendments usually moved when the measure goes to Finance Committee make changes in the allocations for the various heads with the result that the new budget figure for expenditure as contained in the Appropriation Bill moves from \$7,433,185,679 to \$8,889,270,679.

The major increase was due to the movement of \$1.5 billion to the Ministry of Finance and Planning from the Long Term Development Fund.

Most of the major allocations have been decreased by small amounts from the original figures.

According to the revised figures, the Ministry receiving the second largest amount of money is the Ministry of Education which is slated to spend \$982,823,006.

This year's Budget debate saw at least two firsts.

According to a Government member, it was the first time a member of Parliament was referred to the Privileges Committee.

Mr Kelvin Ramnath, the representative for Couva South (Opposition) was taken to the body by Education Minister Overand Padmore for allegedly making a misleading statement to the Lower House pertaining to the ITL affair.

Legal Opinion

This committee will decide if Mr Padmore's charge was correct.

Mr Ramnath had said on Tuesday that he was in possession of a "legal opinion" from an eminent Senior Counsel in which it was alleged that certain persons conspired to defraud depositors of International Trust Limited and that this legal opinion had been sent to the Fraud Squad. But National Security Minister John Donaldson denied any knowledge of such a document being with the Police.

Another first was the live televised contribution of the Leader of the Opposition.

The debate heard many good contributions from both sides of the House.

In keeping with arrangements worked out for live television and radio broadcasts, Mr Padmore replied to Opposition contributions late yesterday evening.

He contended that in this period of adjustment managers in both the private and public sectors were faced with challenging situations. In his contribution he touched all aspects.

The Opposition, he said, had absolutely no formula for dealing with the problems facing the country. Mr Padmore said they could not offer any solutions to the circumstances in Trinidad and Tobago today.

The debate almost came to an abrupt end yesterday shortly after Speaker Matthew Ramcharan accepted the motion against Mr Ramnath.

When a Government member closed the session Tuesday night, an Opposition parliamentarian was supposed to continue yesterday morning.

None answered the request to speak and Mr Ramcharan called on the Prime Minister to wind up the debate.

But the Member for St Augustine (Opposition), Mr John Humphrey, rose and apologised for not hearing the call as he was in "deep conversation" with a colleague and expressed his desire to speak.

Mr Ramcharan then asked Mr Chambers if he would give way to Mr Humphrey and the Prime Minister obliged.

House Approval

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 1

[Text] The 1985 Budget was passed around 9 o'clock last night in the House of Representatives, about 15 minutes after Prime Minister and Minister of Finance, Mr George Chambers, delivered the winding up speech.

The Budget will now be debated in the Senate on Monday at 10 a.m. and Minister in the Ministry of Finance, Senator Anthony Jacelon, is expected to kick off proceedings.

CSO: 3298/341

TRINIDAD AND TOBAGO

FARMERS GET GOVERNMENT ASSURANCES, PLANS FOR IMPROVEMENT

Agricultural Congress Session

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jan 85 p 1

[Text] Government will not put into operation any policy or programme which will adversely affect farmers.

This was stated by Rep Kamaluddin Mohammed, Minister of Agriculture, Lands and Food Production, at the inauguration ceremony of the Trinidad and Tobago Agricultural Congress at the Chaguanas Senior Comprehensive School yesterday.

Referring to the 1985 Budget, he said that he already had some feedback on the Budget from persons involved in various aspects of the agricultural industry.

He said: "As you are aware, a Budget speech cannot take care of every detail in the context of implementation of Government's strategy for development.

I want to assure our farmers that we are listening carefully to all the comments and suggestions from all quarters.

In the final analysis, this Government will not put into operation either policy or programme which will affect our farmers adversely."

President Ellis Clarke, in an opening address, said that there was great satisfaction in doing productive work. He described agriculture as one of the most important sectors in the country and said that he was happy to see those who recognised the storms ahead and finally thought of the importance in agriculture.

Drawing attention to the Budget Rep Mohammed said that the proposed line which would follow represented "a new approach to getting our agriculture moving."

Mr Mohammed said: "We are removing some of the input subsidies which are quite clearly not impacting on production in any meaningful manner.

These subsidies tie up the time and energy of the majority of our extension field staff. Everybody complains."

Reasonable Interest

The Minister said that Government proposed to make loans available at a reasonable interest rate to farmers and to concentrate on providing an adequate price for farmers where the purchase of the products was centralised, or to create and sustain a market environment which provided the farmer with a good price where the purchase was dependent on the consumer at large.

He said it was recognised that satisfactory title to land was necessary for farmers to benefit fully from loans from the Agricultural Development Bank.

Minister Mohammed said that he had already given instructions that activity related to distribution of state lands must be given top priority to expedite settlement of prospective tenant farmers.

Referring to efforts for a reliable market for local agricultural produce, he said that local consumers must understand what Government was trying to do and support the efforts.

The Minister said that a properly structured agricultural thrust with adequate production levels could provide a basis for a significant take off in the context of an agro-based industrialisation programme.

Mr Mohammed said: "I have said on many occasions that our subsidy programme has been abused by many farmers, the country has not benefited from a level of increased production commensurate with the expenditure.

As a result we have made some drastic changes."

He said that many of the subsidies could no longer be available and, instead, farmers would find an increased quantity of money available for credit loans from the Agricultural Development Bank.

Price Support

"Government," he said, "will also continue its system of price support for agricultural commodities, but on a more selective basis."

Farmers would see the beneficial effects of the changes this year, he said, adding that the system of determining the levels of price support for selected commodities was also being overhauled.

He said, too, that there was no reason why Trinidad and Tobago must pay what was perhaps the highest guaranteed price for market pigs in the world.

Assuring his Ministry would continue to consult with farmers, he told the Congress that it must not be a fly by night organisation.

Earlier, Mr Ram Madho, president of the Congress, gave a history of the formation of the organisation and outlined the objectives. He proposed establishment of a commercial agricultural college, an agricultural land bank and a farmers commercial bank.

He assured that the Trinidad and Tobago Agricultural Congress would be a cohesive farmers' organisation committed to total development of agriculture.

Mr Madho explained that it was at a meeting of 23 farmers' organisations in April last year that decision was taken to form the Congress.

Assistance Plans

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 95 p 4

[Text] Efforts are being made to improve the image of the local farmer with the introduction of a number of facilities to assist agricultural services.

Proposed facilities include a Commercial Agricultural College, an Agricultural Land Bank, a Farmers' Commercial Bank and a Farm Labour Bureau.

They form part of a number of long-term projects of the Trinidad and Tobago Agricultural Congress.

At the inauguration ceremony of the newly formed organisation, Mr Ram Madho, president, gave details of these plans while stating the objectives of the congress.

He said: "The farmer's image is, today and always has been, one of poverty and degradation, and he is often seen as a lobbyist in his endeavour to produce and market his product successfully."

"His financial resources are devoted to his farming enterprise, often resulting in a poorer quality of life for his family."

Mr Madho continued: "This militates against the minds of the farmer's children and others, thereby discouraging them from entering the field of agriculture. If this situation is not corrected, there would be starvation."

Mr Madho said there was an urgent need for a Commercial Agricultural College to reach young farmers new methods of farm management and to demonstrate applied technology and mechanisation, costing, marketing and growing the required food crop for the local and export market.

Major Project

For this reason, the Agricultural Congress proposes to establish such an institution. Ideal candidates will be graduates from senior comprehensive schools who will be required to undergo a course in any type of chosen primary agricultural commodity product.

The college will be run in close collaboration with the Ministry of Education and the Ministry of Agriculture, Lands and Food Production, the University of the West Indies and the congress.

Another major project will be the Agricultural Land Bank which will afford landless farmers an opportunity to secure land and cultivate.

Major policies of this Land Bank will be

- Restrain the rise in land costs;
- Zoning, to avoid speculation with a view to non-agricultural use;
- Determination of the Agricultural Value of land to ensure the price is related to the value; and
- Avoid purchase of agricultural land by non-farmers.

The congress also plans to establish a commercial institution which will gain the confidence of farmers and mobilise rural saving which can be a source of rural investment.

"The farmers' image will be enhanced and it will give them a sense of security and belonging based on the fact that all farmers will be entitled to purchase and be shareholders in the farmers bank," Mr Madho explained.

Another project, the Farm Labour Bureau, will enrol and register unemployed young persons who are willing to work and learn agricultural practices.

CSO: 3298/342

TRINIDAD AND TOBAGO

GROUPS VOICE CONDEMNATION OF VIOLENCE IN ATTACKS ON MAYORS

ONR Resolution

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 6

[Text] The St Joseph Constituency Group of the Organisation for National Reconstruction (ONR) has passed a resolution deploring violence on persons holding public office.

In a release, the party said: "Regardless of party affiliations, there is a time when all well-meaning citizens must stand together to preserve the rights of the individual, moreso, the persons who, with little reward, are serving their communities towards the betterment of our country."

The release was sent in light of the recent attack on San Fernando Mayor, Councillor Rakeeb Hosein's son. Mayor of Port of Spain, Councillor Stevenson Sarjeant, was also threatened.

Chamber Statement

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jan 85 p 7

[Text] South Trinidad Chamber of Industry and Commerce said yesterday it deplored in the strongest possible terms the most cowardly and vicious attack on Mayor Rakeeb Hosein and his family.

A release issued by the Chamber, stated that "these attacks introduce an unsavoury dimension hitherto absent from public life in our society and if this type of behaviour is allowed to go unpunished, it can only serve to discourage honourable men from making their contribution to our nation."

Further, the release stated "the Chamber expects that no effort will be spared by the police to see that the guilty parties are apprehended and the Chamber wishes to remind members of the public that it is their civic duty to provide the appropriate authorities with all information likely to assist in bringing the culprits to justice.

"We feel that the time has come to consider seriously the provision of some form of personal protection for the first citizen of the borough of San Fernando."

The statement added: Mayor Hosein and his family have the full support, sympathy and respect of the South Trinidad Chamber of Industry and Commerce."

CSO: 3298/342

TRINIDAD AND TOBAGO

UNIONS GAIN MIXED RESULTS; OIL INDUSTRY LAYOFFS CONTINUE

Sodeteg Pay Raise

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 7

[Text]

THE 48-plus monthly paid workers of the French firm, Sodeteg, principal contractor working on the Mount Hope Medical Complex, have been given a 44 per cent (20 x 12 x 12) general wage increase over three years.

According to Mr Owen Hinds, President General of the Contractors and General Workers' Trade Union, bargaining body for the workers, the increase is retroactive to October 12 last year.

The workers have already received their first year increase. Other benefits have also been negotiated.

It is the first time that the monthly-paid workers of Sodeteg are represented by a union. The contract was negotiated at the Ministry of Labour.

Company officials could not be contacted for comment.

Rejection of Payoff Plan

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jan 85 p 7

[Text]

THE COMMUNICATION Workers' Union (CWU) has rejected a proposal from the management of the Trinidad Hilton to pay off 32 dismissed employees.

This development came during initial conciliation efforts at the Industrial Court earlier this month.

Since January 3 representatives of the union and the hotel have been involved in conciliatory discussions presided over by the President of the Industrial Court, Mr J.A.M. Braithwaite.

Talks will continue at the Court from 2 p.m. today.

OWTU on Oil Industry

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jan 85 p 7

[Text]

SAN FERNANDO:

THE situation in the oil industry continues "to hang fire" while retrenchment goes on within the industry, particularly among the service contractors, the Oilfields Workers Trade Union (OWTU) said yesterday.

About 3,000 workers have been retrenched over the past year, causing the union's membership to drop to about 18,000.

The union's general council met last Wednesday and listened to the 1985 Budget presentation by Prime Minister George Chambers, who is also Minister of Finance. Afterwards the council discussed the proposals and issued a statement yesterday.

"The 1985 Budget is a curious, but not surprising mix of decision and indecision. The Minister of Finance was very decisive in making decisions that would increase the already heavy burden on the backs of workers.

"But when measures were required to restructure the economy in order to better serve the people, the indecisiveness of the Minister of Finance amounted to provocation and wholesale vacillation," said the union.

The statement said, for instance, "the situation in the oil industry continues to hang fire while retrenchment continues apace within the industry, particularly among the service contractors.

IN THE DARK

"Oil workers and the rest of the country are more in the dark now than ever before. The Minister of Finance has tried to blame the leader of the country's negotiating team for the hoax perpetrated on the country on August 30 last when it was announced that Texaco's land operations would be bought for \$175 million."

The council said that

this indecisiveness in dealing with the oil industry, particularly

Texaco, is having and will continue to have "deleterious effects for oil workers and the country as a whole."

"Oil is the basis of economic development in our country and if the industry is not dealt with, then all other economic and fiscal measures can be nothing more than cosmetic."

The union pointed out that immediately after the Budget speech, Federation Chemicals laid off 17 workers.

It was stated too, that the uncertainty over Texaco had affected not only Texaco workers, but those of Trintoc, Tesoro and Trinmar, whose managements have refused to make wage offers in their ongoing negotiations on the basis that the Texaco situation must be cleared up first.

CSO: 3298/343

TRINIDAD AND TOBAGO

TWO HELD IN ARMS, AMMUNITION CASE DENIED BAIL

Airport Discovery

Port-of-Spain TRINIDAD GUARDIAN in English 4 Jan 85 p 14

[Text] Customs and Excise officials stumbled upon 32 guns and 345 rounds of ammunition in three packages at Piarco International Airport on Wednesday afternoon.

It was reported that at about 1.30 p.m. a Trinidadian residing in Canada who is back home on vacation, went to Piarco to clear luggage which had come in on a flight from Toronto.

While in the luggage room, it was reported that a female Customs officer saw something resembling a gun. She made a check on the baggage the man was carrying. Senior officials were called in. More baggage was searched and Customs officials found and seized 31 shotguns and a rifle. They also found 222 rounds of .38 ammunition, 49 rounds of .25 ammunition, 49 rounds of .22 calibre and 25 rounds of 12-gauge shotgun cartridges as well as 300 shells.

Freeport Raids

The 21-year-old Trinidadian resident in Canada was then arrested. The Police were contacted and a party of officers including Inspector Rudolph Leache and Inspector Alexander rushed to Piarco.

The suspect along with two other persons, aged 35 and 22 of Balmain Village, Couva, were questioned by the Police in connection with the importation of the firearms and ammunition.

Following the seizure of the arms and ammunition, two houses at Calcutta No 2, Freeport, were searched.

At one house, a 45-year-old man was arrested and charged by Constable Paul Cezair of the Chaguanas CID with being in possession of 27 rounds of ammunition.

At the other house, a family of seven (including two women) was arrested and charged by Inspector Alexander with possession of one round of ammunition.

All the suspects are to appear before a Chaguanas Magistrate.

Bail Refusal

Port-of-Spain EXPRESS in English 5 Jan 85 p 3

[Text] Two men accused of having 32 firearms and 345 rounds of ammunition were yesterday remanded in custody when they appeared before a Port of Spain magistrate.

Hakim Mohammed, 31, a machinist of Main Street, Toronto, Canada, and Shaheed Mohammed, 53, of Calcutta #2, Balmain, Couva, were remanded in custody by Senior Magistrate Anthony Gafoor after police objected to their being granted bail.

Supt Anthony Jack of the Court and Process Branch objected to bail for the machinist on the grounds that he was a resident of Canada and for the mechanic on the grounds of the seriousness of the charge.

The two, who were not represented by counsel yesterday, will appear before an Arima magistrate on Monday. The exhibits were not brought in court. They are being kept at police headquarters.

Charges were laid by Inspector Dennis Richardson of the Criminal Investigation Department and Anthony Springer and Bernard Charles of the Customs Preventive Branch.

The accused, however, appeared only on police charges yesterday. Those charges are of importing the 32 firearms and 345 rounds of ammunition as well as 300 percussion caps.

Charges laid by the Customs officers against the men are: Answering untruly, questions put to them by Customs Officer Carol Falby at the Aviation Services Bond at Piarco last Wednesday; importing prohibited goods; and concealing the arms and ammunition in a manner to deceive Customs.

Details of Charges

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jan 85 p 3

[Text] Hakim Mohammed, also called Akim Mohammed, a Trinidadian resident in Canada and Shaheed Mohammed of Calcutta Settlement No 1, McBean, Couva, who are facing firearms and ammunition charges, were again denied bail-- this time by an Arima Magistrate yesterday.

Senior Magistrate Carol Mahadeo in the Arima District Court said she had to uphold the submission made by State Counsel Sam Cross of the Customs Department who objected to bail on the grounds of the seriousness of the charges and the quantity of arms and ammunition involved.

The two men were held by Customs and Excise Officer Carol Falby at Piarco last week.

Hakim Mohammed is accused by Customs and Excise officers of importing firearms and 345 rounds of ammunition not being the owner of firearm user's licence; concealing the arms and ammunition in a manner calculated to deceive Customs and Excise officers and answering untruthful questions put to him by the proper officer of the Customs and Excise Department.

He is also charged by the Police with importing 31 shot-guns, one rifle and 345 rounds of ammunition at Piarco on December 30; importing ammunition without lawful authority; possession of firearms and possession of ammunition.

Court Prosecutor, Inspector Cecil Rose joined Mr Cross in objecting to bail.

Mr Israel Khan, who is associated with Mr Alfred Pierre for the defendants, asking for bail, said Hakim Mohammed enjoyed dual citizenship of Canada and Trinidad and Tobago as of right, and his passport was seized by the authorities in Trinidad.

Due To Leave

Inspector Rose retorted that Hakim Mohammed was due to leave Trinidad on January 3.

The Customs and Excise charges were laid by Anthony Springer while the Police charges were laid by Asst Supt Dennis Richardson.

The defendants were not called upon to plead as the charges are indictable. They were both remanded in custody to January 21.

CSO: 3298/321

TRINIDAD AND TOBAGO

CHAMBERS SUBMITS 1985 BUDGET; CRITICISM ENSUES

Text of Budget Speech

Port-of-Spain TRINIDAD GUARDIAN, SUNDAY GUARDIAN in English 11, 12, 13,
14, 15 Jan 85

[11 Jan 85 pp 10-11]

[Text]

AS A PUBLIC service, starting today, the "Guardian" is publishing in full the 1985 Budget Speech of Prime Minister and Minister of Finance George Chambers presented in Parliament on Wednesday.

Mr. Chambers said:

Mr. Speaker: This, the fourth Budget of the present Parliament, is being delivered against the background of two successive years of decline in the country's economic situation. It is incumbent upon us, therefore, to seek an understanding of the forces, both internal and external, which have contributed to this development, to seize on the strengths and positive elements in the economy and turn them to our advantage.

The buoyancy of the economy for most of the 1970s and the general expectation in the world at large of further increases in the price of oil, may have too easily obscured the underlying fact that developing economies such as Trinidad and Tobago's usually have a deficiency of savings. This is one of the key problems in framing economic policy. Without an adequate level of development spending it is not possible to achieve changes in the structure of the economy, particularly in enhancing its capacity to earn foreign exchange and to adapt readily to changes in the international economic environment.

Structural rigidities in the economy make it respond too slowly to changes in the external economic environment. These rigidities relate to:

— production, for example, switching resources from declining activities to those with brighter prospects,

— the disposition of expenditure as between consumption and investment or between local and imported goods,

— the division of income among all those who contribute to its creation.

MAJOR FACTORS

They are, perhaps, the major factors which constrain our ability to adapt to changes in the international economy.

Yet, just as we seized the gains from the unexpected increase in oil prices a decade ago, we must now grasp the nettle of weakening oil prices, protectionism, increasingly difficult borrowing conditions and other adverse international economic developments.

As a nation, we must squarely face those developments in the wider world and dedicate ourselves to loosening the rigidities in our economy so that short term problems or dislocations are contained within manageable limits. At the same time we must continue to lay a foundation for greater resilience in the future.

It is against this background that this Budget Statement will once

more focus on the realities of adjustment in the economy of Trinidad and Tobago. The issues will be developed in this Statement in the context of an analysis in the following sequence:

- the international economy,
- review of performance of the domestic economy,
- the reality of adjustment, and
- sectoral policies

following which I shall present the specific policy measures to be implemented in the 1985 Budget.

I start with the international economy.

MISPLACED OPTIMISM

In my 1984 Budget Statement, I welcomed the unmistakeable signs of economic recovery in the major member countries of the Organisation of Economic Co-operation and Development (OECD), but warned against misplaced optimism and complacency, in the light of doubts expressed about the durability of that economic recovery. Events in 1984, particularly in recent months, underline how important it is not to consider sustained strong economic growth in those countries as a foregone conclusion nor to take for granted any positive resultant effect on the economies of the developing countries.

The economic recovery in the major industrialised OECD countries which began in 1983 has not been strong in all of those countries. Indeed, only the United States and Japan--the two largest OECD economies--have experienced growth rates comparable to or better than those achieved in the cyclical upswings of the 1950s and the 1960s. The real Gross National Product (GNP) of the United States rose by 3.7 percent and 8 percent cent in 1983 and the first half of 1984

respectively, while Japan enjoyed real growth rates of 3 per cent and 7 per cent over the comparable periods. The average growth rate for West Germany, the United Kingdom, France and Italy in 1983 was barely 1.3 per cent and is not expected to exceed 2.3 per cent in 1984. Recent official statistics released in the United States reveal a distinct weakening of that country's economy, with real economic growth falling from an annualised

rate of 7 per cent in the second quarter to 1.9 per cent in the third quarter, according to preliminary estimates, and 2.3 per cent in the fourth quarter.

DOMESTIC DEMAND

Ten years ago, it was commonplace for the US economy to be seen as a powerful locomotive capable of pulling along the economies of the other OECD countries to faster growth rates. Whether or not the locomotive theory still holds is now a matter of conjecture. The real effective appreciation of the US dollar against the currencies of its trading partners since 1982 has enhanced the competitiveness of the products of those countries in the US market and, at the same time, blunted any advantage that US exporters may have had in their markets. Despite the sharp growth of imports into the United States, however, this demand has not been strong enough to permit the European economies to achieve higher growth rates. Moreover, the mix of economic policy in those countries continues to be restrictive and focused on keeping inflation at a permanently lower level. The result is that domestic demand has also not been a strong stimulus to economic growth.

Two peculiar characteristics of the current economic recovery which have particular relevance to the outlook for developing countries are:

- the stubbornly high level of unemployment in most OECD countries, and
- the persistently high rate of interest in US-dollar money and capital markets.

UNEMPLOYMENT

The recession of 1980-'82 saw unemployment rising to levels not experienced since the Depression of the 1930s, except for Japan where the unemployment rate remained well below 3 per cent. Among the other major industrial countries, only the United States and Canada have been able to generate new jobs at a faster rate than the growth of their labour force. In the United States, for example, unemployment fell from 9.9 million persons or 8.8 per cent of the labour force in October 1983 to 8.4 million persons or 7.4 per cent in October 1984. In the United Kingdom, by contrast, the number unemployed rose from 3.1 million or 12.9 per cent to 3.2 million or 13.4 per cent of the labour force over the same twelve months.

In August 1984, the prime interest rate in the United States stood at 13 per cent or 2 percentage points

higher than twelve months earlier. The rise in interest rates mainly reflected concern at the future implications of the financing of the fiscal deficit of the United States Federal Government. Since interest rates were rising and at the same time the rate of inflation was relatively low, the real rate of interest for borrowers of US dollars was also rising. In recent weeks, the prime lending rate in the United States has fallen to 10.75 per cent, but even so it remains higher than in the first half of 1983.

CAPITAL INFLOW

Relatively high interest rates in the United States and efforts by the authorities in the other major industrial countries to keep their domestic interest rates from rising have contributed to a very strong appreciation of the US dollar against all other major traded currencies. Since the beginning of 1982, the US dollar has appreciated by over 25 per cent in nominal terms and 20 per cent in real effective terms against other currencies. There has been such a large inflow of capital into the United States from

the rest of the world that it is widely expected that the United States — the most powerful economy in the world — will soon become a net importer of the savings of the rest of the world. Simply put, there will be more foreign investment in the United States than US investment overseas.

In addition to its effect on the flow of capital, the appreciation of the US dollar has contributed to a weakening of demand for many primary commodities which are of great significance in the economies of many developing countries. The reason for this is that the price of many commodities on world markets is quoted in US dollars, so that the cost to other countries of these commodities measured in their domestic currencies has been rising. As is to be expected, rising prices tend to dampen demand.

A case in point which illustrates the difficulty for developing countries is the market for oil. Since March 1983, the official price for Saudi Light Marker crude has been fixed at US \$29 per barrel. Owing to the relative changes in currency values, however, it has been estimated that by October 1984 the effective price in Japanese yen was \$30.72, in Deutsche marks \$37.19, in pounds sterling \$35.55 and \$37.36 in the composite unit of all currencies of the EEC member countries.

DISTURBING TRENDS

The implications for the developing countries, including Trinidad and Tobago, of the trends on which I have touched are disturbing. First, the deceleration in the rate of economic growth in the United States and other OECD countries significantly weakens a major source of increased demand for the goods and services produced by the developing countries, thereby constraining the potential economic growth of these countries.

Secondly, the continuing high level of unemployment in the industrialised countries is a powerful force behind the erection of protectionist barriers which serve to limit the competitive entry of manufactured products from the developing countries.

Slow economic growth and protectionism combine to lower the export earnings and hence the income of the developing countries. At the same time, high interest rates and an appreciating US dollar serve to increase the share of income which the developing countries must devote to servicing their indebtedness to commercial banks and other lenders. The international financial system continues to operate under great stress with several large banks exposed to a high risk of insolvency owing to the difficulty being experienced by major borrowers in generating adequate income to meet debt service obligations. As a result of this situation, lenders in the developed countries have become increasingly wary of committing new funds to developing country borrowers.

MORE STRINGENT

The criteria used in assessing credit-worthiness and determining an acceptable level of lending exposure to any single country have grown more and more stringent. The effect is that the access by developing countries to commercial capital markets is now very restricted. At the same time, multilateral lending institutions such as the World Bank have not had the support from powerful member countries to increase their resources to the extent justified by the global economic situation.

In short, the economies of the developing countries are being strangled for lack of long term external financing with the consequence that the immediate burden of economic adjustment is being made even harsher for such countries. As the President of the World

Bank said in a recent address — "the debt problem can only be solved by development. Only if the indebted countries recover growth, especially export growth, will they be able to meet their debt obligations and, in time, recover credit-worthiness." In the meantime the burden of adjustment has been thrown largely onto their domestic economies with the effect, for example, that average per capita income in Mexico has fallen to its level in 1978, in Brazil to the level of 1976 and in Argentina below the level of 1970.

FALL IN OUTPUT

Let me now review the performance of the domestic economy so that we may assess how we in Trinidad and Tobago have been coping with the stresses created by international economic developments.

In 1984, Trinidad and Tobago continued to experience a downturn in economic activity as the effect of adverse developments in the world market for oil worked their way through the economy. Preliminary estimates show that for the second successive year there has been a marked fall in real output and income.

The production of oil, cement, fertilisers and agricultural produce for domestic consumption increased noticeably during the year. However, these positive signs were outweighed by the lower levels of activity recorded in most branches of light manufacturing, in traditional agriculture — particularly sugar production — and in distributive trades and allied services. The manufacturing sector has not been able to increase its exports to regional or third country markets to offset the fall in domestic demand. One reason for this is the long stagnation of the larger regional

economies and the difficulties of gaining or, indeed, retaining access of those markets in the light of economic policies adopted by governments in those countries. Another is the distinctly inward orientation of domestic producers.

As is customary, a document entitled "Review of the Economy 1984," which contains a detailed analysis of current data has been tabled for the information of Honourable Members and the general public. I shall not, therefore, report further on the bare facts relating to the domestic economy, but focus instead on an assessment of the extent to which the economy has responded to policy measures designed to bring about the necessary adjustment in the use of our diminished real income.

Mr. Speaker, since I took office in 1981 as Prime Minister and Minister of Finance and Planning, I have repeatedly called on the national community to recognise the adverse change in our economic circumstances and to act decisively to avert serious dislocation of the economy. The three annual budgets which I have so far presented to Parliament have included a number of policy measures which were intended to influence our economic choices as a nation and buttress our resolve to tackle problems at an early stage.

SUBSIDIES CUT

The economic policy measures basically encompassed:

- the reduction and, in some cases, elimination of subsidies on products such as gasoline, cement, flour, rice, cooking oil and livestock feed;

- higher levels of indirect taxation, particularly on consumer items;

- proposals for charging tariffs in respect of electricity, telephones and public transport which take account of the cost of providing these services; and

- phased reduction of government expenditure to a level considered sustainable in the light of revenue prospects and borrowing potential, particularly in the international capital market. Put in simple terms, the basic thrust of these measures has been to get members of the national community, both individually and collectively, to live within their means.

It is recognised by the Government that such measures impose an immediate cost on the community but equally, that, attempts at postponement would be futile and lead, even in the short run, to yet higher costs. Perhaps the most striking evidence of the cost of adjustment is in terms of a higher rate of inflation, rising unemployment, declining foreign exchange, availability and tight credit conditions.

How have we performed so far with regard to these indicators?

INFLATION RATE

The price level has undeniably shifted upward as it obviously has to in a situation where prices of goods and services had for many years been subsidised directly from the Treasury and where revenue from taxation could no longer underwrite consumer spending on such a scale. The rate of inflation which had fallen to 11.4 per cent in 1982 rose to 16.7 per cent in 1983. Despite the further lowering of subsidies and higher indirect taxation, the rate of

inflation fell to 12.9 per cent in the twelve months ended November, 1984.

Increases in the supply of domestically produced foodstuffs have made a major contribution to the lowering of the rate of inflation. I assure you that Government will continue its efforts to allocate adequate resources to domestic food production, an issue to which I shall return later in this Statement.

The slowdown in economic growth has, of course, affected some activities more adversely than others. In some cases, the fall in demand for the output of the particular activity has been so sharp that equipment has been made idle and labour retrenched. The sectors in which employment declined in 1984 were oil production and refining, mining and quarrying and government services in which the total loss of employment was 5,952. Despite this loss of jobs, however, the other areas of economic activity performed sufficiently strongly so that a total of 23,190 new jobs were created in those sectors such as domestic agriculture, manufacturing, financial services, utilities and other services. The net effect is that a total of 17,238 new jobs was created in the economy; as a consequence the total number of persons employed rose from 393,315 in mid-1983 to 410,533 in mid-1984.

JOB SECURITY

While persons already employed may in the aggregate be enjoying a greater sense of job security, the fact is that in an economy whose real output is falling, it is extremely difficult to generate sufficient

additional jobs to absorb all new entrance into the labour force. Moreover, Trinidad and Tobago which has become a relatively high cost producer owing to the spreading of the benefits of higher oil revenue throughout the population, will only generate higher incomes and more permanent jobs by enhancing productivity across the board. These are among the reasons why the number of unemployed persons has risen from 49,317 in 1983 to 60,383 in 1984 and the unemployment rate from 11.1 per cent to 12.8 per cent.

In the 1984 Budget Statement, I had identified the question of job security as a central issue necessitating a more pragmatic approach to collective bargaining and industrial relations practices and a keener perception of the congruence of interest between employers and workers. That question remains equally crucial today.

MORE UNSETTLED

During the intervening year, industrial relations have become more unsettled, although it was a year when, perhaps more than ever before, the economy needed every possible support to stem decline and to stimulate recovery. Instead, what actually transpired was an escalation of industrial action by employers and employees with the inevitable inconvenience to the public and substantial losses to the economy in terms of production and revenue, as well as to workers in terms of income and in some cases their jobs.

Despite this unfortunate development, there were some positive signs. The conciliation machinery of the Ministry of Labour, Social Security and Co-operatives provided a forum in which a number of trade unions and employers demonstrated a larger measure of appreciation of the need for restraint. In addition, settlements in respect of labour costs during the year indicated at least a tendency towards moderation compared with settlements in the previous round of collective bargaining. In this regard, therefore, the process of adjustment to the realities of our changed economic circumstances seems, even belatedly, to be falling into place. It is my hope that even greater understanding will develop during the current year.

A major focus of the policies adopted for adjustment of the economy in the short term is the conservation of the country's foreign exchange reserves. Not that we did not expect to lose some of our accumulated reserves, but the target is to settle at a level where the economy could operate without disruption through inability to acquire essential food, drugs, spares, raw materials and capital goods. In other words, the country's appetite for

foreign exchange has to be curbed further and brought into line with its ability to earn foreign exchange and its capacity to borrow.

Reserves Fall

Over the three year period 1982-84 the value of the country's foreign exchange reserves fell from \$7,690 million to \$3,037 million.

The fiscal and monetary policy measures adopted by Government together with new administrative procedures introduced in October 1983 for the importation of merchandise have resulted in an improvement in the underlying rate of loss of reserves.

The country's merchandise trade account has shown a remarkable improvement in the first nine months of 1984 gaining by \$1,201 million to a surplus of \$499 million from a deficit of \$702 million in the comparable period of 1983. This resulted mainly from a decline of \$1,517 or 31 per cent in the value of merchandise imports reflecting, no doubt, the reduction in government capital spending and a lowering of demand generally in the context of the economic downturn.

The performance in redressing the imbalance in the country's external account would have been even better, but for the fact that imports of services continue to increase. The main areas of expenditure on this account are foreign travel, professional and technical fees and emigration. In 1983 these accounted for over \$1,000 million and in the first six months of 1984 for \$382 million compared with \$560 million as recently as 1980. For vacation travel alone, Mr Speaker, and prior to the traditional peak vacation travel months of July to September, residents of Trinidad and Tobago spent an average of \$26 million per month in 1984, a year in which we were striving to stabilise the economy in the face of a continuing adverse change in our terms of trade with the rest of the world.

Preliminary estimates put the underlying loss of reserves for 1984 at \$1,590 million or 32 per cent of the stock of reserves at the beginning of the year. Revaluation of the Central Bank's portfolio at the end of 1984 indicated a foreign exchange loss of \$400 million owing to fluctuation of currencies, particularly the Deutsche mark since 1979. The rate of loss of foreign reserves is still too high and action will be taken in 1985 to ensure that this is remedied. However, Mr Speaker, let me specifically draw your attention to the fact that our reserves at \$3,037 million are the equivalent of 8 months of payments for imports, compared with conventional standards of adequacy of 3 months cover.

Limit Borrowing

The Government itself has had to adjust its expenditure to take account of falling revenues from the oil sector and the draw-down of accumulated savings over the last three years. On the basis of revised estimates, total recurrent and capital expenditure in 1984 is expected to be \$8,888.4 million compared with original estimates of \$9,285.6 million. Government

had to manage its expenditure in 1984 even more tightly than originally planned because of a shortfall in its revenue collection. This was due to a sharper than anticipated fall in merchandise imports, delayed implementation of certain revenue measures and a decision to limit borrowing in the domestic market where the supply of credit has been restricted.

Despite the difficulty of managing its own revenue position in the short run, the Government recognises that recovery from the current downturn in economic activity requires investment expenditure and the development of new markets. Accordingly, the 1983 Budget included fiscal incentives for investment in plant and machinery and for extra-regional exports while in the course of 1983 and 1984 I announced changes in the regime of taxation of oil companies. The latter measures have already begun to show positive results as I shall later demonstrate.

The financial sector is one of the areas most adversely affected by the general downturn in economic activity. For many years financial institutions had experienced and, no doubt, planned their operations in the expectation of large increases in deposits from the public. The sustained large annual increases in deposits were due in large measure to the fact that Government was able to finance a high level of spending on domestic goods and services from its taxation of the oil industry. The excess of domestic spending over domestic revenues--the domestic budget deficit--not only directly stimulated economic activity but also provided the liquidity that enabled financial institutions to expand their lending.

CUT SPENDING

Clearly, with the decline of oil revenue—which in 1984 was approximately \$1,630 million less than in 1981—and the need to reduce Government spending, the domestic budget deficit has been reduced. It can no longer provide a strong stimulus to growth of liquidity of the financial system. Moreover, private sector economic activity has been weak and therefore does not itself generate additional income from which the financial system could attract significant new deposits.

As a result, the growth of deposits with financial institutions has declined substantially. For example, the increase of deposits fell from \$2,270 million in 1982 to \$890 million in 1983 and is estimated to be less than \$400 million for 1984. The marked fall in the increase in deposits with financial institutions creates a situation in which it is imperative that they manage cash flow skilfully. This is true for the entire financial system, but is more so for the non-bank financial institutions which was as a group had virtually no increase in deposits in 1984.

COMPETITION

Competition among financial institutions for deposits has increased as evidenced by the rise since mid-year 1982 in interest rates paid on deposits. Although the depositor is being offered a better return on his savings, this should not necessarily warrant higher interest charges on loans and generally higher charges for a range of bank services. But, the fact is that the cost of loans and other services has been rising. Interest rates on loans have risen at a faster rate than those paid on deposits with the result that the spread earned by the banks has widened from 6.2 per cent in mid-year 1982 to 6.7 per cent since the first quarter of 1984.

Banks in Trinidad and Tobago make a good return on their assets and have been enjoying these returns for many years. The average after-tax return on assets for the banking system rose steadily over the last ten years and stood at 1.39 per cent in 1983. By way of contrast, information quoted in the "Financial Times" shows a return on assets of 0.28 per cent for banks in the United Kingdom and 0.35 per cent in

the United States and Canada, these being the countries from which most of the larger banks in Trinidad and Tobago originated.

THE TRUE COST

Mr. Speaker, our banks have to recognise that they, too, must participate in the adjustment to the current economic circumstances. In the first instance, I shall be leaving the Central Bank to continue its efforts to persuade banks and other financial institutions to make adjustments in their interest and other charges and to fully disclose to customers the true cost of doing business with them. However, I shall not hesitate to bring appropriate legislation to this Parliament if the financial institutions do not respond satisfactorily to the moral suasion of the Central Bank.

The authorities have been very concerned at the liquidity problems which some institutions have experienced. The Central Bank has organised certain financing facilities to assist in dealing with these problems in the short term and has so far provided either directly or indirectly cash support totalling \$48.4 million. This is an essential element in nurturing the confidence which the public has, and must have, in the basic soundness of the financial system. The Bank will continue to provide such support until permanent solutions can be found to bringing about a proper match between the assets and liabilities of financial institutions in a situation of low growth in deposits.

Several approaches are being taken in finding solutions to the problems of financial institutions. Efforts are being made to inject new capital in some institutions and, where feasible, to effect consolidations or mergers. In this respect, the Government is prepared to consider the participation of foreign interests where they are clearly in a position to contribute not only equity but also management expertise needed to strengthen non-bank institutions.

Mr. Speaker, an economy as increasingly sophisticated as Trinidad and Tobago's must have a well-functioning financial system capable of offering a wide range of services to industrial and commercial enterprises. There must be room for innovation without which new ideas or new entrepreneurs may not have an opportunity to blossom. To this end and in order to ensure continued public confidence in financial institutions, we are finalising proposals for revision of the law which, among other things, will afford depositors greater protection.

Mr. Speaker, as I stressed in my 1984 Budget Statement "there are two dimensions to the problem of

adjustment ... the short-run ... need to adjust downwards our demand for imports and to change their composition ... (and) the long run problem of altering the structure of production and improving our competitiveness" We have made fair progress in addressing the short term problem, though I must stress that even greater effort is required.

In this connection, it would be useful for me to place this effort in the context of the experience of many countries which have had to face the reality of adjustment over the last decade.

Since the early 1970s the world economy has been subjected to a series of shocks culminating in the recession which commenced in 1980 and which, despite signs of incipient recovery, is still having a profound effect on the economic situation of the developing countries.

SEVERE PROBLEMS

The non-oil developing countries and the developed industrialised countries were the first to be confronted with the need to adjust their economies. The former encountered severe balance of payments problems because of the sudden and significant increase in the cost of imports, particularly of petroleum products. Initially, it proved possible to finance their payment deficits by borrowing in the capital markets and from international agencies, both of which were not only responsive, but also had the resources to lend.

However, particularly after 1979, when interest rates rose sharply in the international capital markets, the strategy of slowly adjusting to the higher cost of imports became untenable. The cost of debt servicing had by then pre-empted such a large share of the export earnings of these countries that many were unable to purchase essential supplies of food, raw materials, spare parts and capital goods, without which their economies could not grow. The debt crisis which has been so highlighted over the last two or three years is, in a sense, an expression of the inability of the non-oil developing countries to postpone reforms in the domestic economy which are necessary in order to absorb the higher real cost of their imports.

HEAVY COSTS

The developed industrialised countries, as a group, attempted to adjust by adopting stringent fiscal, monetary and commercial policies which imposed heavy costs on their populations particularly in terms of unemployment to which I have referred earlier in this statement. Because of the inter-dependence which has become such a salient feature of the international econo-

my the fortunes of the non-oil developing countries and the developed industrial countries have become linked. The policies adopted by the latter countries have contributed significantly in making more intractable the task of the developing countries which have to adjust their economies.

Protectionism and rising interest rates were, and still are, particularly damaging since the debt burden is made more onerous and export earnings are reduced making it virtually impossible for developing countries, both oil and non-oil, to fund their import requirements. Thus, the downward pressure on economic growth has been considerably reinforced. In this way the effort required to bring about balance in the economies of the developing countries has become an even more painful and difficult process. It is clear, therefore, that economic policy decisions by individual countries can no longer be viewed in isolation, as evidenced by the disruption of the development process in developing countries.

OMINOUS THREAT

It is in this global situation that Trinidad and Tobago has been adjusting its economic behaviour in the light of the loss of real income consequent on the fall of oil prices and the ever present ominous threat of further declines. In our own situation the position is further aggravated by the fact that, in the midst of the process of adjustment, access to capital markets is becoming increasingly difficult. Moreover, as I reported in my last Budget Statement, even the World Bank is ready to penalise us for our success in managing our economy.

During 1984, Trinidad and Tobago joined with other developing countries in a fight to forestall a decision by the Bank to graduate six member countries from eligibility for long term development loans from the Bank. Trinidad and Tobago was the first in line, targeted for graduation without any period of phase-out lending. It appeared for several months that the effort to prevent such a course of action would have been successful and that reason would have prevailed.

At the meeting of Governors of the Bank for Latin America, Spain and the Philippines, prior to the Annual Meeting in September last, the Executive Directors informed Governors that a compromise had been reached on the issue of graduation. The compromise recognised that a country's economy may reach a degree of maturity where that country may no longer need to borrow from the Bank, but it specifically emphasised that "consulta-

tions with a member country must first be undertaken to see if it agrees that it is in a position to graduate and, if so, to find out whether or not it is willing to do so."

LEGAL LANGUAGE

Mr. Speaker, contrary to the consensus reached at the level of the Executive Directors, the management of the Bank unilaterally decided to discontinue lending to Trinidad and Tobago. But policy-making is the domain of the Executive Board and the Board of Governors; yet the international civil servants in Washington D.C. have attempted to thwart the will of the Governors by seeking refuge in the arid legal language of the Articles of Agreement which include a provision that prior to deciding on any specific loan "the Bank is satisfied that in the prevailing market conditions the borrower would be unable otherwise to obtain the loan under conditions which in the opinion of the Bank are reasonable for the borrower."

In other words, in the case of Trinidad and Tobago, the Bank, in the view of the management, is lender of last resort. Consequently, as long as Trinidad and Tobago is perceived as able to borrow on commercial terms, the management will not consider any financing for projects in this country.

In effect, for our success in managing our economy, the World Bank has relegated Trinidad and Tobago to a new category of membership which I can only describe as an "underclass" — a group which cannot benefit from membership either through direct borrowing from the Bank or by competing successfully to supply goods and services for projects funded by the Bank in other member countries.

Mr. Speaker, particularly at this time when we must continue our development thrust within the limits of available resources we are not prepared to accept the cavalier attempt of the Bank's management to dis-enfranchise Trinidad and To-

bago. We shall vigorously contest this injustice and leave no stone unturned to have it remedied.

In view of these developments, therefore, our domestic efforts will have to be that much greater and it is abundantly clear that we must rely largely on ourselves to finance the adjustment effort. In this context, we must be all the more vigilant in ensuring that the burden is equitably shared among the national community. I need not remind this Parliament that I have called for a recognition of two issues which this principle raises, namely,

the level of prices and the inadequate contribution made to revenues by the self-employed.

There is abundant evidence that during recent years when incomes were buoyant, prices rose more rapidly than we had previously experienced. Sellers developed a disposition to charge what the market would bear in circumstances when credit was fairly easy to obtain and buyers felt little or no pressure to husband personal resources. This is no longer so. There are growing signs that the tendency towards indiscriminate spending is being curbed and that sellers themselves have become more conscious of this changing pattern of consumer spending.

PRICE CONTROL

It is against this background that the Government has been reviewing the steps which it should itself take to prevent unwarranted price increases. Experience has taught us that while price control is a valuable tool, it can, if applied too extensively and too rigidly, lead to distortions and other undesirable side effects, for example, contrived shortages, black markets, corrupt practices and administrative inefficiencies, to name a few. That said, it remains a fact that a number of basic commodities are now subject to stringent price control while others are only permitted percentage mark-ups prescribed by the Government. The existing price control machinery will, therefore, concentrate its efforts on securing the continued effectiveness of present controls rather than attempting to cope with an expanded system of price control, at least for the time being.

Our first step, in this period of adjustment, has been to seek to strengthen the arm of the buying public by providing information on prices. This is being done through the instrument of a recently-appointed National Prices Watch which has already prepared proposals for a public education pro-

gramme to be implemented in 1985. Government takes the view that in a society where there is a premium on freedom in the interplay of social and market forces, a preference for absence of coercion, and where inequities have in part been based on absence of information, the positive approach to this issue should lie in closing the information gap. This does not, however, mean that if there were a threat of unreasonable price increases which cannot be justified by circumstances, Government would not take strong action to protect the interests of the community as a whole.

THE TAX NET

A critical question which takes on new urgency is the equity with which the burden of adjustment is being shared. This question has often been posed in relation to the burden of taxation borne between the earners of income in the form of wages and salaries compared with property incomes and to the distribution of the burden between the small and large income earners; it nevertheless cannot be denied that some groups of income earners, both large and small, and some forms of incomes are at present not adequately within the tax net. I shall be making proposals later designed to redress such inequities as may exist and to seek to correct this anomaly as it relates to the self-employed and to incomes earned by employees in activity other than paid employment.

Historically, one of the more resilient areas of economic life in Trinidad and Tobago has been the contribution of the self-employed.

Not only have they included members of the professions such as medicine, dentistry, law and accountancy, but in large numbers they have included farmers, artisans, traders, tradesmen, seamstresses, and a variety of service workers such as taxi owners and operators.

[Text]

These persons have displayed commendable entrepreneurship, establishing industries of their own, supplying a variety of goods and services in public demand, and creating job opportunities for themselves, their families and their assistants as well as imparting skills to young persons through our traditional system of informal apprenticeship. In a society where opportunities for paid employment have tended to lag behind the number of persons seeking jobs, the significance of this segment of the working population can hardly be overstated.

But the independence, self-reliance and contribution to social and economic life displayed by this group of persons must not be mistaken for lack of inter-dependence with the rest of the economy. In fact the opportunities for self-employment derive from the general institutional development and progress of the society as well as from the expansion of the economy providing thereby markets and supplies. This all rests on the existence of the physical infrastructure such as the road, water, electricity and telephone systems, and the social infrastructure such as the maintenance of law and order, justice, an educational system, public health and in general an environment conducive to economic activity.

The capability of the economy to move into an expansionary phase depends critically on our success in stimulating investment in new production capacity and in the modernisation of existing facilities. To switch resources from consumption to investment can be painful, particularly at a time of falling real income. We must, however, make the effort — hence the mix of policy measures introduced in recent budgets.

For most of the last decade we had the unique experience for a developing country of financing new investment and purchasing foreign-owned assets from our own savings, while still having surplus to invest overseas. That experience, however, was a deviation from the norm which, for developing countries, is reliance on a net inflow of foreign savings — such is the case in Trinidad and Tobago today.

THE OBJECTIVE

In this regard, there is an urgent need to re-assess our policy towards foreign investment, as recognised by the National Economic Planning Commission (NEPC). As a result of the deliberations of that body,

Cabinet, in mid-1984, appointed a Committee to review, among other matters, "appropriate measures for the encouragement of employment and exports and the role of foreign investment in so doing."

The Committee has not yet submitted its report but has forwarded to Cabinet a summary of findings based on its work to date. The Committee has observed that although official policy clearly endorses foreign investment, the procedures and mechanism in use can effectively discourage investors. The Committee is of the view that regulation and monitoring may have neutralised the impact of promotion and that Trinidad and Tobago should project a very positive attitude focusing on the promotion of foreign investment. It is also the Committee's opinion that we have already established a level of ownership and control of key areas such as oil and gas, banking and finance, and insurance, to be able to permit further foreign equity participation in such sectors while using broad economic policy tools to secure congruence with the national interest.

Mr. Speaker, the objective of the adjustment of which we speak is, therefore, to transform the structure and magnitude of imports and exports so that growth and a viable external payments position will become compatible. To achieve this resources must be diverted from consumption to investment and exports, and serious efforts must be put in train to improve economic efficiency and strengthen the productive base of the economy. As a people we must endeavour to modernise the economy with the same facility with which we adopt the consumption habits of the metropolises, to do more with less and make the best use of the existing production capacity of the nation. To be specific, the need for serious and concerted domestic effort is not a passing phase; we must re-fashion our expectations in conformity with the realities of our economic circumstances, current and prospective.

As Dr. Enrique Iglesias stated in his 1984 Eric Williams Memorial Lecture — "it would certainly be Utopian to try to imagine a 'painless' adjustment process." We would do well to take account of that statement as we attempt to establish the bases for a new approach to the problem of development in our country.

To translate these objectives into action, I now turn to the specific policies and actions which will be

pursued and implemented in the key sectors of the economy.

PETROLEUM

In the last two Budget presentations it was emphasised that, notwithstanding the performance and fortunes of the international oil industry, oil remains the backbone of the country's economy. This industry has played the critical role in the economic development of the country over the past decade, as the principal source of foreign exchange and fiscal revenue for financing the massive improvements undertaken in the country's social and economic infrastructure.

Yet, since 1981 this industry has been in decline. Internationally, demand has weakened, prices of both crude and products have fallen, substantial refinery capacity throughout the world has been shut in or operated, even with upgrading, at uneconomic costs. Locally, the decline in crude production which started in late 1978 continued through to 1983. The operating companies, no doubt affected by the international developments, proceeded to rationalise their operations and cut back expenditure. In addition, the overall performance of the industry was affected by the protracted negotiations involving the future role of Texaco in Trinidad and Tobago, Tesoro's offer for sale of its shares in Trinidad-Tesoro and the need to follow the precise requirements of the Articles of Association, and the level of taxation in the light of oil price decreases.

NEW CIRCUMSTANCES

In Trinidad and Tobago, we have had to come to terms with the new circumstances and in this respect have adopted a number of measures which I now outline for general information.

A comprehensive review of the system of taxation of marine producing companies, involving extensive discussion with these companies, was completed in 1984 on the basis of which Cabinet agreed to the following:

- That royalty payments on crude oil be deducted from gross income prior to the determination of the supplemental petroleum tax with effect from January 1, 1984;

- That the existing schedule of production allowances based on incremental production be replaced by a single annual production allowance of 30 per cent of gross income from up to 2 million barrels of oil production per field;

- That the existing incremental investment allowance applicable to marine areas whereby 100 per cent of the tangible drilling costs is allowed as a deduction against gross

income, prior to the determination of the supplemental petroleum tax be eliminated and replaced by two allowances designed to facilitate investment in plant and to promote intangible drilling activity;

A STEADY STREAM

- That the submarine production allowance be terminated with effect from December 31, 1983, thereby completing an exercise initiated in 1980 to rationalise and update all existing allowances in specific investment areas which Government wishes to encourage;

- That the rate of supplemental petroleum tax for marine operations be reduced from 60% to 55% with effect from January 1, 1984.

Additionally, during 1984, certain difficulties which had arisen in respect of field designation, classification of development dry holes and the tax treatment of well repair and maintenance costs were resolved.

This entire package of proposals has as its prime objective the viability of the local oil industry. Indeed, while these measures may result in a marginal decrease in fiscal revenue in the very short term, they are intended to ensure a steady stream of revenue and continued significant contributions from the industry. Already we have seen an increase in the production of oil of 5.6% in 1984 over 1983, with the second half of 1984 recording an estimated production of 176,026 barrels of oil per day (bopd) versus 158,205 bopd for the corresponding period in 1983.

In response, the two major producing companies in the marine areas, AMOCO and TRINMAR, have submitted for the consideration and approval of the Ministry of Energy and Natural Resources, expanded work programmes for the period 1984-1989 over and above their normal activities. These programmes which involve expenditure of approximately TT\$1,000 million are expected to prove up an additional 100 million barrels of reserves and will also result in the production of more heavy oil than at present. Further, a technical committee, under the direction of a Ministerial Team, has been reviewing with the producing companies, specific measures which may be taken in 1985 to ensure the earliest possible development of some of our considerable reserves of heavy oil not exploited to date.

PRODUCTION SHARING

A seismic survey of open acreage of the North and East coasts of Trinidad was undertaken in 1980-1981. The data were processed and interpreted in 1983/84 and put up for sale in mid-year 1984 at TT\$1.2

million per package. The sale is expected to close in mid-1985 at which time the bids will be evaluated.

Subject to prevailing market conditions and perceptions of the future of the market, new acreage is expected to be awarded towards the end of 1985. Currently, a team of officials is reviewing the proposed terms and conditions of a model production sharing contract under which such acreage may be leased. The ultimate objective of this entire exercise is to stimulate exploration activity and eventually generate future production in the deeper marine areas off the North and East coasts.

All the land-producing companies with one exception, have signified their intention to intensify efforts at improving production during 1985. Proposals have already been submitted for review to the Ministry of Energy and Natural Resources for eleven (11) new and/or expanded secondary recovery projects. To date, work has commenced on four. Additional wells will be drilled in 1985, and production levels should be stabilised or show a marginal increase.

POSITIVE RESPONSE

There is also expected to be an increase in 1985 in the level of workover activity. The positive response by the companies in this area is a direct result of the resolution of the treatment for tax purposes of these items of maintenance. This will contribute not only to future production, but also to the level of employment, as additional workover rigs will be utilised in 1985.

Where, therefore, one may justifiably ask is oil production heading in 1985? For the first time since 1978, an increase in production has been recorded; annual production which stood at the all time high of 83.8 mn bbls. in 1978 declined steadily to 58.3 mn. bbls. in 1983. In 1984, however, there was a 5.6% increase in production over the 1983 figure to 61.6 mn. bbls.

All the producing companies, save one, have recorded production increases in 1984. In this context, it is important to note the impact on the performance of the industry of the major producing company whose production decreased from 50.3 mn bbls in 1978 to 29.8 mn bbls in 1983. This company has recorded a 9% production increase in 1984 that has affected significantly the overall performance of the industry.

From what has been said in the preceding sections, we expect that production will increase further in 1985.

Let me now bring this Honourable House up-to-date on the status of the offer for sale of its shares by the Tesoro Petroleum Corporation and the negotiations with Texaco Inc. to which I referred earlier.

TRINIDAD-TESORO

In my 1984 Budget Statement I informed Parliament that the offer by Tesoro Petroleum Corporation to sell to the Government its minority shareholding in Trinidad-Tesoro was an outstanding issue and that the determination of the price of sale had been referred to the joint auditors. According to the Company's Articles of Association, the price shall be that which the auditors of the company shall determine.

The auditors forwarded a report to the Government on December 13, 1984, and by letter dated December 28, 1984, advised that their opinion on the fair market value of Tesoro's shares was that stated in their report of December 13, 1984. Their opinion, however, was stated by them to be subject to a number of reservations including the significant one, that they were in no position to forecast future oil prices. In the circumstances, it appears that the report does not state a price as provided for in the Articles and that accordingly, the occasion for the exercise of Government's option has not yet arisen. I have, therefore, referred the matter to the Honourable Attorney General for his advice.

TEXACO

When on August 30th I announced that agreement had been reached in principle under which the people of the Republic of Trinidad and Tobago would acquire by purchase all of the assets and interests of Texaco Trinidad Inc., save and except its marine operations, I did so on the basis of a written communication from the leader of the Government's negotiating team.

Since that time a number of matters have been imported into the negotiations the scope of which has thereby been much enlarged. Negotiations have continued over the past four months in both Trinidad and Tobago and the United States. The last such sessions took place as recently as January 4th and 5th in New York.

It remains our intention to seek agreement on a purchase through negotiations at the earliest possible date. However, in view of the complexity of the issues and the significance for Trinidad and Tobago of the outcome, patience and care are demanded. We are determined to insist on the protection of our sovereignty and to safeguard the interests of the people of Trinidad and Tobago.

The negotiations have now reached a delicate stage and therefore I do not consider it judicious for me to say anything further at this time.

NATURAL GAS

It will be recalled that in the 1984 Budget Statement I had informed the country that in its deliberations on the Report of the Demas Task Force, the National Economic Planning Commission had recommended "the early appointment of a Committee to investigate and report on the proper use and monetisation of gas, including the feasibility of establishing a Liquefied Natural Gas Plant so as to maximise the foreign exchange earnings to be derived from ownership of this asset". Government appointed the Committee as recommended. This Committee has been meeting and in the interim there have been further advances in the implementation of Government's policy of using the country's substantial natural gas reserves to foster industrial development and to increase and diversify exports.

During the year, we witnessed the successful commissioning, performance test runs, start up and provisional acceptance from the contractors of two new plants, namely, the Urea and Methanol plants. At the close of the year we were still considering three serious proposals for the establishment of ammonia plants, in addition to the expansion of the TRINGEN plant already approved and announced, and at least one more Methanol Plant earmarked for location in Pt. Fortin.

TO BE TRANSFERRED

It was in January 1981 that Government made the investment decision to proceed with the urea plant as an integral part of the ammonia complex being built in joint venture with AMOCO, but without AMOCO's participation. The objective was and still remains to upgrade the form of fertilizer, thereby increasing value added in Trinidad and Tobago and enhancing foreign exchange earnings. It was also decided at that time that Government would undertake the methanol project as a wholly-owned venture.

Construction of both plants commenced during 1981. The urea plant was commissioned in January 1984, the methanol plant five months later. The investment in the plants was \$425 million and \$430 million, respectively, funded by a mix of Government financing, export credits and commercial loans which are now being finally put in place. Separate companies have been established to hold these investments and the assets will be transferred from the National Energy Corporation (NEC) to these companies.

The plants themselves are world scale, each with a capacity in excess of 1,000 metric tons per day of prod-

uct, and have been operating satisfactorily since start up with no major problems during 'debugging.' Methanol is being shipped under take or pay contracts to markets in Europe and the United States utilising tankers owned by the Shipping Corporation of Trinidad and Tobago (SCOTT) which were specially built to transport the chemical grade methanol produced at the plant. Urea is being sold under a distributorship agreement to markets in the United States, Central and South America. There is provision in this agreement for direct Government-to-Government sales. In 1984 China agreed to buy 40,000 tons under these arrangements and in 1985 it is anticipated that there will be further sales to China and India, on this basis, both countries being major forces in the international market for urea.

In 1985, the two plants are expected to earn a total of US\$55.5 million in foreign exchange and to contribute US\$21.3 million to the economy after foreign debt service payments.

OVER-CAPACITY

Market conditions for methanol are depressed at present owing to over-capacity, as a result the realised prices from sales are lower than those forecast at the time of the investment decision. These conditions are expected to persist into the late 1980s when the use of methanol as a fuel on a commercial scale may become a reality. Despite present market conditions, performance to date has shown that the operation is commercially viable and capable of meeting all cash costs.

In the case of urea the apparent excess of supply capability over demand is rapidly disappearing in world markets. Indeed, by the second half of the decade, demand for urea is expected to exceed supply resulting in higher prices and higher profit margins. Given the conversion rate of 0.58 tons ammonia per ton urea, and the fact that the current urea margin over ammonia value of US\$60 is forecast to rise to US\$120 by 1990, the outlook for the viability of this operation also seems favourable.

The other plant in operation is the Iron and Steel Company of Trinidad and Tobago (ISCOTT).

Pursuant to my announcement in the 1984 Budget Statement the Government, on 10th February, 1984, appointed a Committee with the following terms of reference:

(i) to review the expenditure proposals of the Iron and Steel Company of Trinidad and Tobago for 1984 to effect maximum savings in the shortest possible time through

drastic reductions in current levels of expenditure, among other things.

(ii) to secure within a stipulated time-frame a suitable international partner with emphasis on technical support for the management, marketing and equity.

The Committee pursued its work with diligence and despatch, submitting two progress reports and subsequently its final report on November 26, 1984. As a result of its work, proposals for entering into a partnership in a re-organised venture were submitted by three companies from Austria, the United States and West Germany respectively.

Cabinet has agreed that the necessary negotiations should now continue at Ministerial level.

NEW PROJECTS

As stated earlier, there are a number of new projects in the offing most of them being ammonia plants. In fact, so numerous were the approaches made to Government by companies in the international market wishing to build such plants in Trinidad and Tobago, attracted no doubt by the availability of competitively priced natural gas, that the Minister of State Enterprises directed the NEC to advise on the number of additional plants which Trinidad and Tobago could prudently target in the short to medium term.

The NEC, basing its analysis on the most recent global study of the outlook for nitrogenous fertilisers, concluded that there is likely to be a net deficit in ammonia supply from 1987. This strongly suggests that new capacity will be needed on a worldwide basis from then on. This additional capacity will be built in locations such as Trinidad and Tobago where there is abundant, competitively-priced natural gas and which are favourably located in relation to the markets of the United States and Europe.

In the light of this information and having examined each of the marketing plans associated with three proposals which had been considerably advanced, the NEC recommended that Government should authorise the development, in addition to the TRINGEN expansion of these projects, one of which has Point Fortin as its preferred location. The extent of the participation of the people of Trinidad and Tobago, through the Government, in the new ammonia plant is still under consideration. This question will largely be determined in the light of the revenue position of the Government and the final recommendations of the Committee which is reviewing the question of State participation in industrial and commercial enterprises.

The National Economic Planning Commission (NEPC), in the recommendation to which I have referred, also adverted to the feasibility of establishing a Liquefied Natural Gas Plant (LNG). Accordingly, the Cabinet decided that there should be undertaken an independent study into the market conditions for gas in the United States to the year 2000 with particular reference to LNG imports. This task was assigned to the NEC which, under appropriate tender procedures, commissioned a study from a U.S. company well-respected in the gas industry and whose credentials include World Bank studies.

The report states as follows:

"During the last five years, gas industry interest in LNG projects to the United States has sharply declined. Two of the three projects which actually became operational have been abandoned with little immediate prospects of resumption. While several other projects are at least nominally alive, very few observers expect any serious efforts to put projects in place during the 1980s. Thus, Trinidad and Tobago's consideration of the US market comes at a time of much pessimism about the prospects for LNG and other supplemental gas supplies. Much of this pessimism stems from short-term factors in supply, demand and price which are temporary and should not adversely affect the longer term outlook for LNG imports. However, some of the pessimism reflects recognition that gas demand is not growing as a result of the long-term readjustment of the US energy economy to conservation, reduced economic growth and the changing role of premium fuels in the energy mix. These problems are more fundamental to the demand for supplemental gas supplies and will inevitably affect any decision on LNG imports that begin in the 1990s."

Elsewhere, the consultants state as follows:

"Any potential exporter of LNG to the United States should first become convinced of the long-term US need for this gas supply as it expected price level during a specific time period."

LONG-TERM SUPPLIES

In general, the study concluded that in the period under review, United States gas supply and demand will be essentially in balance, taking into account imports of border gas from Canada and Mexico. In view of the prospect revealed for imports of gas, other than border gas, in the United States in the middle 1990s, if at all,

the NEC has taken the view that there is no basis at present for continuing the development of the LNG project.

That having been said, it is obvious that if the various new gas-using projects to which I have referred are to become a reality, urgent arrangements must be made for securing long-term supplies of gas. In addition, the existing natural gas supply contract will expire in the early 1990s so that prompt consideration must be given to ensuring that existing projects, including the supply of gas to Trinidad and Tobago Electricity Commission (T&TEC), have an assured long term supply. Consequently, action will be taken during 1985 to negotiate these additional supplies. This matter is now engaging the attention of the Cabinet.

Notwithstanding our remarkable achievements in the development of the energy sector over the past decade, we believe that the time has come to review and re-assess our performance in some areas.

In this regard, the Government has reached agreement for an Energy Sector Assessment and Management Programme to be undertaken jointly by the World Bank and UNDP. A reconnaissance mission has already visited Trinidad and Tobago to identify the main issues, and will be followed by a team of specialists who will visit for four (4) weeks from mid-February 1985, and thereafter to submit an in-depth report.

There can already be discerned in the manufacturing community an awakening of determination to find export business. It is as if the long dormant awareness that survival and growth lay in the successful entry into overseas markets is beginning to transform into positive action. I have no doubt that these efforts have been encouraged by the active support for export development given by the Government,

as manifested by the introduction of wide ranging fiscal incentives for export business, and by the creation of an Export Development Corporation (EDC) which is seen to be sensitive to the concerns and needs of exporters.

The EDC has had a good beginning. In the first year of our new export drive, Trinidad and Tobago exporters were able to mount in June 1984 a very successful Trade Mission and Exhibition to Puerto Rico, under the aegis of the Corporation in collaboration with the Trinidad and Tobago Manufacturers' Association. The significance of this achievement cannot be over-emphasised, contributing as it did to:

- The learning process which most of our exporters must undergo;
- Inspiring manufacturers with fresh confidence in their ability to market products overseas; and
- Providing the answer, if only in part, to the question so often put, what does Trinidad and Tobago have to export?

FLOW OF SALES

The records show that 36 manufacturing companies representing a number of products ranging from processed foods to construction materials including steel participated in the Mission. Firm orders to a value of US\$3.6 million were obtained by 20 of the participants. Of these orders, US\$1.3 million have been delivered in products such as steel, stationery, blenders, zippers and labels. The remaining orders are being processed for delivery. What is gratifying in all this is that our manufacturers have been able to meet their delivery times and product specifications, and a continuing flow of sales is anticipated.

This initial success has spurred both the manufacturers and the Export Development Corporation to further individual and collective efforts. The EDC, for its part, in keeping with its mission to be supportive of exporters' initiatives will, in 1985, concentrate on promoting the use of market development grants to pursue priority export prospects, and on the development in the financial sector of export financial facilities including preshipment, post-shipment and rediscounting facilities as recommended in the Report on Export Development in the Non-Oil Sector. The transfer of the Export Credit Insurance Company to the EDC will facilitate this latter objective. In general, the Government is of the view that these additional financial resources are needed to buttress the capability of local manufacturers to impart momentum to and sustain the country's renewed drive into new export markets.

OUTWARD LOOKING

The EDC has also begun an examination of the scope for the export of services other than tourism. To this end, it has appointed a committee of the Board to which it has co-opted the services of appropriate experienced persons from outside the Board.

The committee has been examining the export potential and the prospects for import displacement of insurance and reinsurance industry, shipping, the construction industry, computer software, entertainment and other service indus-

tries. It is expected to submit a final report around July 1985.

Immediately following my 1984 Budget Statement, I announced certain initiatives designed eventually to place Trinidad and Tobago on a more outward looking development path. These initiatives had their origin in the strategies outlined in the Report of the Multi-sectoral Planning Task Force and were endorsed by the National Economic Planning Commission. I refer particularly to the appointment of three teams with the following terms of reference, respectively:

The first:

"To review the 1972 and 1975 White Papers on Public Sector participation in Industrial and Commercial Enterprises, taking cognisance of the need to adopt appropriate measures for the encouragement of employment and exports and the role of foreign investment in so doing; and

to examine the role and growth of conglomerates in the economy and to make recommendations generally, including the desirability or otherwise to regulating mergers and acquisitions."

The second: "To consider the possible establishment and location of an export zone in Trinidad and Tobago and to make recommendations"

And the third: "To articulate a statement of the role and mission of the IDC.

- To evaluate the policies and programmes of the IDC in the light of the above.

- To assess the current operational procedures and practices of the IDC and to make recommendations;

given the urgent need to strengthen and modernise the domestic manufacturing community into a sector which is resilient and flexible enough to cope with frequent changes in world markets and technologies thereby enabling it to become a significant source of income, employment and foreign exchange."

I have already alluded to the conclusions of the first team, leaving no doubt that the posture of the Government and of its relevant agencies will henceforth be to facilitate the flow of meaningful foreign private investment into the economy. Needless to say, priority will be given in this policy to channelling these capital inflows towards modernising the manufacturing sector and enhancing its capability to compete in world markets.

CRITICAL CONSTRAINTS

The team which examined the possibility of establishing an export zone in Trinidad and Tobago has recently reported and its recommendations are before the Cabinet. Its principal finding is that existing industrial estates are not perceived as geared towards export promotion. It has therefore recommended that steps be taken, even on a pilot basis, to remedy this deficiency and deliberately project to local and foreign investors alike the thrust towards exports on which the country has embarked. The distinguishing feature of the pilot export zone would be the establishment of simplified procedures relating to the importation of raw materials and other inputs for manufacturing or processing and to the exportation of the finished goods.

This latter issue has been engaging the attention of the Export Development Corporation as well, because, as the Warner Committee recognised in its 1982 Report, the overgrowth of unwieldy procedures and the lack of co-ordination among relevant agencies to which they tend to give rise have become over time one of the critical constraints to export development. The EDC has already taken steps to secure the services of a Trade Facilitation Adviser from UNCTAD, the U.N. agency which has developed a specialist role in the provision of advisory services in trade facilitation. Its emphasis is on the simplification of formalities and the streamlining of procedures which make for delays and congestion at ports and act as a hindrance to trade. The UNCTAD Adviser is expected to begin work in or around April 1985 and I propose to request the EDC to assign the adviser to prepare, as an urgent task, a project proposal for the realisation of the pilot concept on the Point Lisas Industrial Estate, as recommended by the Export Zone Committee.

SCIENCE PARK

The other major recommendation which, in my view, merits early attention is the establishment of a Science Park with the characteristics of an export processing zone, dedicated to the development of high technology industries in Trinidad and Tobago. There has been recognition in Government that high technology products are the fastest growing goods among industrial products in metropolitan markets. The fact that these industries and their products are also skill-intensive makes them an alluring prospect in our export development strategies and plans.

Trinidad and Tobago is better endowed than most within this part of the hemisphere to provide a base for foreign entrepreneurs in search of offshore locations in which to pursue 'high-tech' industrial activities. Institutional arrangements which tie in the research and development bodies in the country to the undertakings on the Science Park, and a location within easy reach of the St. Augustine Campus of U.W.I. and of the Airport, were contemplated by the Committee. In this latter regard, one possible location, with infrastructure already in place, could be the O'Meara Industrial Estate.

This may well be yet another bold venture of the Government in the transformation of the industrial structure of Trinidad and Tobago which has parallel only in the venture into energy intensive industries of the 1970s. Clearly, at a time when resources available for capital programmes are modest, to say the least, the first step toward implementing this recommendation must be a costing of the financial outlays to which Government will be committed. I propose to request the Committee to address itself to this costing exercise and to submit a supplementary report.

The third team has not yet submitted a report. However, a subject which is assuming heightened importance and urgency is the effectiveness of existing procedures and arrangements for treating with new investment in the country. These involve not only the IDC but also, separately, the Ministry of Finance and Planning in connection with approvals under the Aliens Landholding Act, the Central Bank in connection with approved investment status and approvals for international joint venture contracts, licensing agreements and other forms of co-operation between an indigenous enterprise and a foreign associate and, in some instances, the Ministry of National Security regarding work permits. On the physical side the development of related industrial accommodation may require interface with the Town and Country Planning Division, the various authorities controlling buildings standards, and the several utilities providing essential services.

ONE-STOP SHOP

As with many of the procedures observed and practised in the public sector today, these arrangements grew out of a period when transactions were not particularly complex nor as numerous as today. However, especially at a time when we are

seeking to revitalise the economy and regain the momentum of growth and development in an export mode there is need, as the Government recognises, to remove from the apparatus of the State the bottlenecks and grey areas which eventually add cost to, and even frustrate, the conduct of business.

One effective method of dealing with this problem is the creation of a "one-stop shop" to act as a clearing house for and to facilitate investment applications requiring approvals from the many authorities to which I have just referred. I intend to adopt a similar system. In view of the importance of investment to the revitalisation of the economy, I shall assign the key co-ordinating responsibility to the Minister in the Ministry of Finance Planning. Details of the relevant mechanisms and procedures will be announced after the Minister has had appropriate consultations with the relevant authorities and other interested parties.

The process of adjustment necessarily involves removing bottlenecks in the production of those goods and service where as a nation we have basic resources which can be utilised effectively. Agriculture is an area where much can be achieved by the re-distribution of resources already dedicated to that sector. In my 1984 Budget Statement I asserted that traditional export agriculture is a mere shadow of its former self and that it is essential to switch resources of land, labour, equipment and financing towards the production of food and raw materials for, in the first instance, domestic use.

A re-assessment of policies and expenditure in the agriculture sector has been undertaken. At the invitation of the Government, a team of specialists from the Food and Agriculture Organisation of the United Nations visited Trinidad and Tobago towards the end of 1983 and submitted a comprehensive report in 1984 for our consideration. This report is the subject of internal review by the Ministry of Agriculture, Lands and Food Production which will be making recommendations for change in some aspects of agricultural policy. In the meanwhile, action to be taken in certain areas is clear and I propose to implement those changes in 1985.

It bears repetition that a fundamental issue is the transfer of resources now used for export agriculture, particularly sugar, to domestic food production. In this connection, I shall later in this Statement expand on Government's policy for the restructuring of the operations of the two nationally owned sugar companies.

[Text]

Trinidad and Tobago has been no different from many other countries, both developed and developing, which consider domestic agriculture to be of such strategic importance as to warrant a continuing high level of support from the State. The provision of subsidies to producers is one of the prime mechanisms on which Government has relied over the years to stimulate agriculture. Excluding sugar, expenditure on agricultural subsidies and price support over the last decade was \$356.4 million and covered the production of cocoa, coffee, copra, citrus, poultry, pork, milk and paddy as well as soil conservation, supply of fertilisers and other production inputs.

In spite of the high and rising level of support through such subsidies, trends in the output of agricultural products have been disappointing. In many instances the relationship between the use of subsidised feed and other inputs on the one hand, and output products such as meat and milk on the other, is far lower than can be reasonably expected.

In order to secure better value for these expenditures, it is proposed, in future, where subsidies continue to be paid, to link them to the level of output achieved. Thus, the Ministry of Agriculture, Lands and Food Production has developed detailed proposals for implementation in 1985.

SUBSIDIES STOPPED

The details of these policy measures are:

• The following production subsidies will be discontinued and instead the funds normally allocated for these will be channelled through soft loans from the Agricultural Development Bank:

- land preparation
 - establishment of orchards
- cocoa and coffee rehabilitation
- pasture establishment
- jiffy pellets
- beekeeping
- access roads on farms
- livestock housing
- water for agriculture
- drying facilities;

however, the soil conservation subsidy will continue;

- the subsidy on imported chemicals will be discontinued and the subsidy on locally manufactured agricultural chemicals will be provided at source;
- the subsidy on motor vehicles will be provided only for all-terrain vehicles.

— the price support programme will be modified as follows:

— the price for cocoa, coffee, and farmers' cane will be retained at existing levels for at least 3 years;

— citrus, copra and sorrel prices will be revised and kept under constant review;

— the price of paddy will remain at the existing level for the next 2 years;

— milk prices will be reviewed periodically;

— liveweight price of pigs will remain at the existing level for at least 2 years. This price will be the premium against which adjustments will be made for quality;

— livestock feed subsidies will be withdrawn; and

— the minimum guaranteed price programme operated by the Central Marketing Agency (CMA) will be discontinued.

The Food and Agricultural Corporation will begin entering into production contracts with farmers for the purchase of selected crops, the prices of which will be determined in advance on the basis of standard grades. Such a system of pricing in relation to quality of output will benefit both the farmer and the consumer and will represent a fundamental departure from the guaranteed pricing arrangement administered by the CMA which, as I have just said, will be discontinued.

As I stated earlier, there has already been an increase in the supply of domestically produced foodstuffs. The change in the system of payment of subsidies and in marketing are expected to give an added stimulus to production resulting in even greater quantities being available to the public. Accordingly, the Ministry of Agriculture, Lands and Food Production and the Ministry of Industry, Commerce and Consumer Affairs will collaborate in the flexible application of the negative list and licensing arrangements to reserve the home market in instances where producers can meet local requirements.

This leads me to the matter of the re-organisation of the sugar companies and of diverting the considerable resources under their control to food production.

We must begin by conceding that as a major export industry for Trinidad and Tobago at the end of the twentieth century, sugar as we knew it is dead — harsh as that may sound. Our present production costs are easily four to five times the export price of sugar. On all realistic assumptions about yields per acre, conversion ratios, labour prod-

activity and global industry efficiency, given the level of earnings of productive factors in alternative uses, the industry in its present form is highly uneconomic and unlikely to be turned around. In the recent past a great deal has been made of the possibilities for a variety of by-products and downstream activities. These have been investigated with the assistance of the Commonwealth Fund for Technical Co-operation and the results have been negative. While not abandoning this avenue for all time, it is evident that at present the industry does not offer viable investment opportunities.

DIVERSIFICATION

Does this mean that the vast human, material and agricultural resources engaged in sugar production are worthless and must be abandoned? Certainly not! No responsible government could fail to recognise the tremendous historical contribution of the sugar industry, its present place in the society providing, as it does, jobs and incomes for some 15,000 persons outside the urban centres, or its potential for agricultural production. In fact, we have here the agricultural resources which must necessarily complement our industrial thrust, providing food at reasonable prices thereby contributing in no small measure to stabilising wage costs and enhancing the competitiveness of the export drive.

Far from any thought of abandoning sugar, it is our intention to so re-organise those resources that the economic base of the country as a whole is strengthened and the livelihood of the workforce engaged in sugar could be guaranteed at enhanced levels. We do not envisage a situation in which some gain at the expense of others, but rather one in which all gain, some in the form of increased incomes and others in the form of cheaper prices and more abundant food.

The diversification programme at Caroni (1975) Ltd. to which I adverted positively in the 1983 Budget Statement, is proceeding apace. During 1984 the beef herd was increased by 150 and now stands at 1,500 animals, while the dairy herd was increased from 50 to 250 animals of which 70 are in milk. The company's rice production reached commercial scale in 1984 with 150 acres

giving two crops with yields of approximately 3,000 pounds per acre. In 1985 an additional 350 acres will be planted. In 1984, 65 acres were planted in cassava and 70 acres in pigeon peas and these are currently being harvested with expected yields of 8,000 lbs and 4,000 lbs per acre, respectively. Regarding tree crops the propagating station is fully established and last year 40 acres of coffee, with banana shade, were planted. It is proposed to establish 70 acres more of coffee and 100 acres of citrus later this year.

The main elements of Government policy towards the resources now engaged in sugar will include the following:

- **Corporate Structure:** The Orange Grove National Company Ltd. and Caroni (1975) Ltd. will be merged into a single corporate entity which will seek to achieve decentralised decision-making by operating a divisional structure.

- **Management:** There will be an early overhaul of the management

structure and systems and a strict method established for holding corporate management accountable for performance.

- **Size of Industry:** The industry will be streamlined to produce up to 100,000 tonnes of sugar per year, aimed principally at satisfying domestic needs. An industry of this size will require the operation of both the Ste. Madeleine and Brechin Castle factories and will be balanced as regards its distribution between North and South, topography, soil types, method of harvesting, risks of weather and supplying by-products to related industries.

- **Cane Supply:** Efficiency will be increased to attain average yields of 25 tonnes of cane per acre and conversion ratios of 12.5 tonnes of cane per tonne of sugar. This assumes 1.25 million tonnes of cane from 50,000 acres. Cane farmers will be expected to supply one half of the cane, and in order to facilitate their expansion an additional 5,000 acres of company lands in the South will be leased to cane farmers.

- **Factory Operations:** In order to effect cost savings, the company will make increased use of mechanical planting and harvesting, contracting out much of the latter, and will utilise a five-day factory grinding week and a 110-day crop.

[Text]

- **Sugar Price:** In order to make the industry more self-reliant, the price of sugar will be adjusted.

- **Diversification:** Consistent with Government policy, the diversification programme will be accelerated.

- **Cash Support and Capital Injections:** Government will continue to provide cash support to the company though at a reduced rate; some capital injections to effect streamlining of operations; and appropriate guarantees for the commercial funding of capital needed for long-term diversification. These, however, will be provided only against a detailed plan of action to be submitted by the company for restoring its viability.

INJECTION

- **Labour and Industrial Relations:** The company will enter into appropriate discussions with the relevant workers' organisations to solve any labour displacement problems which may arise, using such measures as re-deployment, voluntary redundancy, or, as a last resort, severance. It must also be strongly emphasised that such diversifying activities as livestock rearing and vegetable production may require, if they are to be viable, terms, conditions and hours of work which are quite different from those obtaining in sugar production, and the company and workers' organisation must be prepared to reach early agreement on these matters.

- **Subsidies:** Present arrangements for providing subsidised fertilisers, chemicals, ploughing services and frog hopper control to cane farmers will continue.

To summarise, over the years 1973 to 1983 Caroni (1975) Ltd. received cash injections of \$1,175.7 million while Orange Grove National Co. Ltd. received \$89.6 million, a total of \$1,265.3 million. In addition, between 1978 and 1983 a total of \$492 million has been paid in subsidies on domestically consumed sugar. In 1984 Caroni (1975) Ltd. received further cash support of \$285 million and Orange Grove \$22.9 million, a total of \$307.9 million. In addition, between 1976 and 1983 Government provided \$146.4 million for capital improvements to field equipment, factories and the distillery at Caroni.

Surely, without such sustained Government support, untold hardships would long have visited these enterprises and those families dependent upon them for their livelihood.

Today's reality demands not only that there be reduced reliance on the Treasury but that agriculture should make a more substantial contribution to our efforts to generate jobs and income while conserving public funds and scarce foreign exchange. Our policy towards the resources now dedicated to sugar production reflects a balanced stance, indicative of a historical perspective and taking into account social, political and economic realities. In seeking to streamline operations, standards for productivity and costs have been set which are modest by regional and international comparison and, with discipline and effort, well within attainment.

The policy requires of all a sharing in the burden of adjustment by demanding higher levels of performance of sugar workers, full accountability on the part of corporate management, and acceptance by the public at large of more realistic prices for sugar and sugar-based products. All involved must shoulder their responsibilities and work together if the rapid decline of the industry since 1976 is to be reversed.

HOUSING

Government has long recognised that the provision of shelter is a basic need of the population and has, therefore given highest priority to this activity. Accordingly, public policy has incorporated many elements geared to assisting the population, both directly and indirectly, in achieving a high degree of homeownership. The relevant policy measures include, for example, favourable tax treatment of interest on mortgage loans, mortgages directly funded from tax revenues and provided at subsidised rates of interest and with extended repayment periods, construction of houses and apartments, tax incentives for housing developers and subsidisation of the cost of certain building materials.

In its programme of housing construction and mortgage lending through the National Housing Authority (NHA) and Trinidad and Tobago Mortgage Finance Company (TTFM), Government has always focussed on assistance to low and middle income households. The Government felt obligated to shield that section of the community from the full burden of financing home ownership on commercial terms. Mortgage loans have been made available at a cost as low as 2 per cent interest with repayment over

30 years. Houses and apartments have been leased on long term to beneficiaries at prices which usually do not include the full cost of infrastructure. This latter benefit has been particularly valuable to low and middle income households in recent years when construction costs were rising rapidly.

Since 1978, Government has placed particular focus on the construction of houses and apartments in suburban areas, fully serviced with infrastructure such as roads, electricity, water, drainage and sewerage systems. This period was characterised by a high level of excess demand for construction services so that despite the adoption of various industrialised or prefabricated building system, the rate of completion of housing units has fallen short of targets and the full cost of construction often exceeded original estimates. Nonetheless, Government-sponsored housing construction has, over the last six years, resulted in the completion or near completion of 10,802 units at La Horqueta, Malabar, Maloney, Chaguanas, Couva, Flagstaff Hill, Prada Street, Valencia, Morvant, Signal Hill, Bonair, Malabar, Ethel Street, St. Joseph Road and Parkside. A total of 50,000 persons more or less will have benefitted from this housing construction programme on completion.

The on-going investment programme includes a high density apartment construction project which is at an early stage in the construction cycle. Apartments being constructed at Charlotte/Oxford Street, Powder Magazine, Embacadere, and Circular Road will provide accommodation for 865 families. The Government views apartment construction in urban areas as an important complement to suburban housing developments, having, as it does, a positive impact on the urban renewal of existing communities while meeting a need of low income families, some of whom earn their livelihood in the cities and cannot afford to relocate to suburban locations.

The significant progress made in providing housing for the population has been possible only because of the strong revenue position of the Government, consequent on the favourable shift in oil prices in 1973-74 and 1979-80. Adverse developments since 1981, however, have forced Government to reassess its priorities and in some instances to modify its strategy for achieving its objectives. In the case of housing, it is clear that Government cannot continue in its public investment programme to place so great an emphasis on the provision of fully-completed dwelling units. Other

methods have to be found so that, despite the constraints now imposed by the unavailability of financing, a large number of families can continue to benefit from public expenditure on housing.

HOUSING LOTS

The Government will therefore reorient its housing policy by changing the degree of emphasis placed on different elements while not losing sight of the fundamental objectives of providing suitable shelter for the population as a whole. The approaches singled out for special attention in the years ahead are:

- development of appropriately serviced housing lots in conjunction with assisted housing construction loans; and

- incentives for channeling an increasing share of national savings towards the financing of investment in housing.

The Ministry of Housing and Resettlement has been implementing land development projects which consists of the provision of fully-serviced housing lots. Immediately available for distribution are about 2,100 lots at Edinburgh Gardens, Malabar, Orange Field, Point Fortin and various other locations. The typical development for which contracts have already been awarded, encompasses lots of 297 square metres serviced with internal roads, water and electricity, at a cost ranging between \$15,000 and \$35,000 per lot, depending on the terrain. The Government is satisfied that this cost should be reduced to a minimum, hence work is being undertaken by the NHA with a view to holding the cost of a typical lot close to the lower end of this range.

The Government will intensify its efforts at developing building lots. The public sector investment programme for 1985 includes financial provision for the start of new projects at Caroni (Racing Complex site), Black Rock, Sangre Grande, Mayaro, Princes Town, Palo Seco, Rampanalga, Laventille, Dow Village, Harmony Hall, Bien Venue, Forres Park, Plymouth, Old Government Farm and Williamsville, which will, by 1987, see 3,480 additional lots completed and distributed.

This re-direction of effort to the development of housing lots will be closely co-ordinated with an expansion of the assisted housing construction programme. Under the latter, the National Housing Authority (NHA) will maintain a roster of approved contractors from whom beneficiaries can select a builder to construct a standard two or three-bedroom house at a maximum cost, based on current market quotations, of \$53,000 or \$60,000, respectively. The NHA will supervise the

work of the contractor and disburse, in relation to physical progress, funds which will be converted into mortgage loans on the completion of construction. A total of 400 to 500 houses is expected to be completed in 1985 with an average construction time of four and one half months. During 1985 additional contractors will be added to the roster, thereby enhancing the capacity to undertake construction will be supplemented by the individual efforts of beneficiaries who may arrange their own construction if they so desire.

MORTGAGE FUNDS

In view of these programmes, assistance given by the Agricultural Development Bank (ADB) which has at times financed house construction, will be discontinued.

But the accelerated rate of construction of new housing can be sustained only if an adequate amount of suitable mortgage financing is available. The Government will continue to provide mortgage funds directly through the NHA and TTMF. However, a special effort must be made to direct a greater share of the community's savings into mortgage financing. To this end, Cabinet has accepted proposals for the establishment of a secondary mortgage bank, as announced in the 1984 Budget Statement. Legislation pertaining to the establishment of that bank has been tabled and will soon be deliberated upon by Parliament. I confidently expect the bank to begin business early this year and, in time, to serve as a catalyst to draw funds into residential mortgage financing.

The Government will strengthen its collection machinery to ensure that previous investments in housing generate a reasonable cash flow to assist in the financing of further housing investment. New computerised systems will soon be fully implemented at the NHA to ensure proper collections and accounting on a professional basis for the substantial portfolio of mortgages which NHA is managing on behalf of Government. Beginning in 1985, NHA will be required to deposit into the Treasury all monies collected on this account. Mortgage instalment payments due to be collected in 1985 by NHA on its own behalf and as agent for the Government are estimated to total \$117 million.

This, Mr. Speaker, is the annual return on the investment outlay on housing which since 1979 totalled \$1,278 million and represents that part of the enhanced oil revenues which the Government allocated to the development of the country's stock of housing and to fostering home ownership through direct expenditure.

The implementation of these programmes in housing and other sectors will certainly make additional demands on the public service in terms of creativity, management capability and decision-making. It is imperative therefore that we accelerate the modernisation of public service systems and methods in as much as the need for adjustment is as critical for the Public Service as for all other areas of national life.

TASK FORCE

To this end, Cabinet appointed a Public Service Review Task Force in February 1984. The Task Force has submitted three reports, of which, one deals with the issue of Comprehensive Auditing and another, with Information Systems for the Public Service. In the course of its work, the Task Force gave public servants an opportunity to express their views on a wide range of subjects affecting their work life. This was done by means of an opinion survey which evoked a very positive response.

Comprehensive Auditing is a system which provides an objective and constructive assessment of the extent to which financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness. It also involves an examination of both financial and management controls, including information systems and reporting.

Such a system will go a long way towards improving accountability and ensuring better value for money in the expenditure of public funds. Cabinet has accepted the recommendation in principle and has requested the Task Force to prepare detailed proposals for the execution of Comprehensive Audits. The proposals will indicate:

- Guidelines for the conduct of Comprehensive Auditing,
- Organisational responsibility for the system, and,
- Staffing and training needs for the conduct of the audits.

Improved levels of efficiency and productivity in the Public Service demand better management information systems. This involves a better appreciation of the value in decision-making of information which is systematically collected, analysed and easily retrieved. Modern data processing technology would readily facilitate the development and implementation of such systems. The Government has already introduced the use of computers in the conduct of the business of certain Ministries and Departments, for example, the Inland Revenue Department, the Ministry of Education, Ministry of Labour, Social Security and Cooperatives and the Licensing Divi-

sion. Tenders are now being evaluated for computerising the systems of the Customs and Excise Division, the Ministry of Industry, Commerce and Consumer Affairs and the Immigration Department. As Government moves forward in the computerisation of systems in the public service, it will be mindful to ensure that there is no loss of efficiency or increase in costs due to lack of compatibility or duplication of facilities installed.

FACT AND FANTASY

One special area of public expenditure which is highly visible is the Development and Environmental Works Division (DEWD). Any discussion of this programme readily evokes an emotional response, touching as it does, the perception of a poor work ethic on the one hand, and on the other a means of livelihood for over 30,000 working people and their families. No doubt, there is a measure of fact and fantasy in both positions. I do not propose, however, to expand on those issues today but will instead focus objectively on the policy aspects of this programme.

The basic idea in the DEWD programme remains that of making it possible for some of the less privileged members of the society to gain access to a stream of income by organising them for work assignments to carry out tasks deemed useful from a community viewpoint. Many of these persons would otherwise remain idle without the certainty of some income, while a number of desirable tasks would remain undone. It would be difficult to fault this basic thrust. I would, however, be the last to deny that with the passing of time the programme has shown a tendency to drift away from its original moorings in directions which suggest the need for reassessment. It has become a costly and escalating charge on the public purse and has not shown returns commensurate with expectations.

By way of correction, proposals have ranged from the extreme, advocating its wholesale closure, to that of putting it on a permanent footing with a formal management structure and a place in the establishment. Certainly, at this juncture neither extreme is practicable since alternative job opportunities are becoming increasingly scarce and there has been a marked decline in public revenues.

The realistic solution is, of course, to maintain the programme, improve its organisation and management, redirect it as far as it is possible to its original intent, and keep it at a level which is affordable, given the availability of financial resources. It would be recalled that in 1970 the Unemployment

Levy was introduced with the objective of reducing the waste of resources that is unutilised labour. The programme has also been financed at times from other sources. However, in 1985, the financial situation dictates a return to the principle of funding DEWD exclusively from the proceeds of the Unemployment Levy.

Action will be taken in 1985 to ensure that the more basic causes of low productivity will be removed. Greater emphasis will be placed on the timely procurement and proper distribution of adequate materials to work sites to minimise the occurrence of work being held up for lack of materials. With the assistance of the Organisation and Management Division of the Ministry of Finance and Planning and a joint Ministry/Union Committee, there will in 1985 be a review of the management structure of the Division, and more effective monitoring of its expenditure, recruitment and employment practices. Plans are well underway to have a computerised payroll by mid-1985 thereby ensuring greater timeliness and accuracy in the maintenance of financial records.

Mr. Speaker, with these reforms, we expect that in 1985, the more glaring deficiencies of the DEWD programme will have been removed and that this mechanism, intended originally to bring temporary relief to the unemployment problem while providing much needed community amenities, will continue in this dual role.

To the workers themselves I wish to say that the Government fully recognises the value to the society at large, potential and actual, of the programme, not least being the extent to which many of our fellow citizens would otherwise have been without a means of livelihood. At the same time, however, the beneficiaries of this programme must recognise that they, for their part, have a responsibility to execute their tasks diligently, avoiding all forms of waste and they must bear in mind that the Government cannot be impassive to the criticisms, some quite justified, of those who after all pay the bill for their employment.

The principle which I have enunciated in discussing the DEWD programme that expenditure must be tailored within the limits of revenue applies equally to all public expenditure. A fiscal regime must be responsive to the state of the economy which generates its revenues and therefore determines the level of expenditure which can be sustained. During the years of the oil boom the Government saw to it that its enhanced revenues were utilised in a manner which ensured

that the benefits were widely shared throughout the society. It is worth recounting that

- the impact of direct taxes was softened by modifications such as raising personal allowances, permitting new claims, for example medical expenses, and exempting the lower income groups completely or partially;

- indirect taxes were considerably reduced by measures such as the abolition or reduction of purchase taxes on a range of goods particularly those used by lower income groups while some commodities, for example, building materials were exempt from import duties altogether;

- a wide range of goods and services was subsidised, for example, basic foodstuffs, public transport, utilities and petroleum products;

- no effort was spared to improve the infrastructure and to provide a wide range of amenities;

- public expenditure created new job opportunities both directly and indirectly on an unprecedented scale.

PUBLIC WELFARE

The issue today is how best can a responsible government, sensitive to the widest public welfare, protect the gains of recent years in the face of a shrinking revenue base. What must our fiscal policy be in a period of adjustment? Obviously we cannot abandon our objective of maintaining and extending the social infrastructure, neither can we disregard the likely negative impact on employment were we drastically to reduce expenditures. On the other hand the lowered revenue base effectively constrains our action and is in itself justification for incentives to stimulate investment and economic activity. In these circumstances, key elements of fiscal policy will include the following:

- bringing the self-employed and all income earned from activity other than paid employment more

fully within the income tax net;

- restoring and extending the coverage of indirect taxation;

- reducing to some extent public expenditure, both recurrent and capital;

- restraining the growth of the public service;

- insisting on economy in expenditure, attention being paid, for example, to

better prices on supply contracts

greater control over the execution of contracts

elimination of waste in the use of materials and supplies;

- ensuring that the current account continues to yield a surplus

of sufficient size to contribute to the financing of the public sector investment programme,

- restraining all external borrowing so as keep debt service at a manageable level; and

- strengthening fiscal incentives to stimulate private sector investment and the re-investment of profits, particularly in export-related activities.

Accordingly I shall now proceed to apply these principles to the specific situation which we face in 1985.

First let me deal with incentives to stimulate investment and economic activity.

DUTY FREE CONCESSIONS

Duty free concessions under Section 49A of the Customs Ordinance are a long established incentive available to manufacturing industry.

Last year, I noted that the Industrial Development Corporation was unable to complete the evaluation of the operation of this regime because of lack of response from concessionaires. The IDC completed the exercise during 1984 and recommended that the regime should be extended.

Cabinet accepted this recommendation, and the relevant resolution under the Customs Ordinance extending the concessions to the end of this year was approved by Parliament in December, 1984.

EXPORT TRADING COMPANIES

I referred earlier to the awakening in the business community of a determination to succeed in export markets and to the renewed efforts which the country is making. It is generally accepted that export business requires extensive institutional support in both the public and private sectors. One such institution which has helped considerably in the promotion and expansion of export sales of other countries is the mechanism of the Export Trading Company. It was recommended by the Committee on Export Development in the Non-Oil Sector that a specific regime of incentive for encouraging the growth of such Companies should be introduced in Trinidad and Tobago. This recommendation was accepted by Government in principle.

Recently the Export Development Corporation added its support for this recommendation. In furtherance of the earnestness of Government to give impetus to the export drive, legislation will be introduced in 1985 to provide for incentives to the export trading companies along lines recommended.

CONSTRUCTION INDUSTRY

The downturn in economic activity has had an adverse effect on the fortunes of this industry which was one of the more dynamic sectors during the oil boom. In an effort to resuscitate the industry, particularly because of its impact on employment, Government proposes to take the following action:

(a) Government owns several prime building sites in Port of Spain and San Fernando for which over the years there have been proposals for development. In an effort to meet Government's need for office and other accommodation and in order to capitalise on the spare capacity in the industry at present, Government is prepared to design, finance and construct suitable buildings on these sites. Government equity will be the value of the site.

(b) Government recognises the urgent need for overpasses at a number of critical intersections of the nation's roads and highways, for example:

- Churchill-Roosevelt Highway-Uriah Butler Highway
- Churchill-Roosevelt Highway-Southern Main Road at Curepe
- Broadway/Beetham (Light-house) and possibly
- Cross Crossing at San Fernando.

Government is prepared to entertain proposals for design, finance and construct of these facilities.

Mr. Speaker, I shall now detail the budgetary measures for 1985.

The annual budget cycle normally begins with an invitation during the first quarter of the year to Ministries and Departments requesting submission to the Ministry of Finance and Planning of their expenditure proposals for the following fiscal year. The requests forwarded for 1985 exceeded \$11,500 million compared with the revised estimate of \$8,888.4 million for 1984. In the exercise of strict economy, the Ministry of Finance and Planning managed to keep planned expenditure for 1985 at \$9,050.9 million. But, even this level of expenditure cannot, in my view, be afforded or justified. Consequently, the first budgetary measure is a further cut in recurrent expenditure. This I propose to do by way of the following.

OVERTIME

The Votes for overtime in the Public Service will be reduced by \$40 million.

SUBSIDIES

Subsidies on livestock and poultry feed will be removed resulting in a saving of \$32.8 million. Despite this, the price of poultry and pork will be unaffected because of the availability of cheaper supplies of corn and soya, the basic inputs into the manufacture of livestock and poultry feeds.

The subsidy on copra will be reduced by \$5 million resulting in an increase in the price of a 26½ ounce bottle of regular cooking oil by 63 cents.

SUGAR

The price of sugar will be increased as follows:

	Existing per lb	New per lb
WASHED GREY		
Retail trade	50 cents	75 cents
Industrial	70 cents	75 cents
GRANULATED		
Retail Trade	62 cents	\$1.00
Industrial	70 cents	\$1.00

As a result, payment to Caroni (1975) Limited will be reduced by \$40 million.

Action will be taken to cushion the impact of this change in the price of sugar on exports of sugar-based products.

MINOR EQUIPMENT — GOODS AND SERVICES

These Votes will be reduced by \$51.4 million.

CURRENT TRANSFERS

The Votes for current transfers will be reduced by \$114.5 million.

This reduction will not affect the provisions for personnel emoluments or pensions for public officers, old age pensions, social assistance, food subsidies, school feeding, the air-bridge, the coastal steamer service and the University of the West Indies.

The measures which I shall be implementing to cut expenditure for current transfers and for the purchase of minor equipment, goods and services will be effected using the powers vested in the Minister of Finance and Planning under the Exchequer and Audit Act.

The cuts in expenditure will save the country \$283.7 million.

Additional revenue will be raised from the following measures:

FEES AND CHARGES FOR GOVERNMENT SERVICES

In accordance with the indication which I gave last year, it has been decided to increase the charges for a wide range of services provided by Government Departments and Agencies. These include:

- Postal Charges
- Fees under the Immigration Regulations 1974
- Fees to be paid to the Registrar General
- Fees payable to the Electrical Inspectorate
- Fees for Police Certificate of Character

A new charge will be imposed on applications for Tax Exit Certificates.

These measures are expected to yield \$15.0 million. A full statement

listing the various fees and charges will be published in the Provisional Collection of Taxes and other relevant orders.

MOTOR VEHICLE TAXATION

Under this heading are included: Drivers' permits, motor vehicle licence fees, miscellaneous charges such as dealers' licences, road permits, registration of vehicles and inspection fees.

The main changes will be:

	Existing	New
Drivers' permits		
3 years	\$75.00	\$100.00

MOTOR VEHICLE LICENCE FEES

All Motor Cars, except those licensed for hire — \$100 and under — 50 per cent increase.

Over \$100 — 100 per cent increase.

Trucks — 50 per cent increase.

In recognition of the service provided by taxi drivers there will be no change in the licence fee for taxis.

The expected yield from changes in all items is \$30.3 million. A full statement listing the various fees will be published in the Provisional Collection of Taxes Order.

GAMBLING AND BETTING

The practice with regard to the levy on Tote and Forecast betting will be changed as follows:

	Existing	New
Trinidad	10 per cent	20 per cent
Tobago	2 per cent	5 per cent

The expected revenue yield is \$11 million.

ALCOHOL AND TOBACCO

Excise Duty and Alcoholic Beverage Tax

The duty and the tax will each be raised by 50 per cent.

The expected yield is \$30 million.

PURCHASE TAX (ALCOHOL, TOBACCO, CIGARETTES)

The Purchase Tax on local and imported alcohol and cigarettes and other tobacco products will be increased by 50 per cent.

The expected yield is \$48 million.

LIQUOR LICENCES

Licence fees payable by distillers and brewers and retailers of spirits and wines will be increased as specified in the Provisional Collection of Taxes Order.

This measure will yield \$2.4 million.

MOTOR LAUNCHES AND PLEASURE BOATS

The charges for the initial and annual survey of motor launches and various other charges administered by the Harbour Master under the Motor Launches Ordinance will be raised to the levels published in the Provisional Collection of Taxes Order and will be extended to cover pleasure boats.

This measure is expected to yield \$0.5 million.

VIDEO LICENCE FEE AND TAX

The measures in the 1984 Budget included provision for an annual licence fee of \$5,000 on Video Clubs. Legislation to give effect to this proposal now before Parliament will be amended to raise the annual licence fee to \$7,500 with effect from January 1, 1985, and to incorporate video and electronic game centres.

This measure is estimated to yield \$1.8 million.

LAND AND BUILDING TAXES

The proposal which I announced last year for changes in the lands' and buildings taxes have not been implemented. I propose from January 1, 1985, to implement the following modified scale of charges:

Acreage	Tax
Up to 10 acres or part thereof	\$10 per acre or part thereof.
Above 10 acres and up to 100 acres or part thereof	\$15 per acre on each additional acre or part thereof.
Above 100 acres	\$20 per acre on each additional acre or part thereof.

This measure is expected to yield \$18.0 million.

STAMP DUTY ON TRANSFER OF PROPERTIES

In the budgetary measures introduced in 1984 the stamp duty on transfers of property whose value exceeds \$300,000 was raised to 5 per cent. It is proposed to amend this so that in future the stamp duty on transfer of properties whose value does not exceed \$350,000 will be 2.5 per cent while the stamp duty on transfer of properties whose value exceeds \$350,000 will be 5 per cent.

Further, the Board of Inland Revenue has advised me that there has been an increasing number of instruments presented for adjudication at the Stamp Duty Office, in which property is conveyed or transferred to another person in contemplation of the sale of that property. Ad valorem stamp duty is not chargeable on transactions of this nature and the Board sees this as an obvious loophole and a method of avoidance of stamp duty.

The Stamp Duty Act will accordingly be amended to safeguard against this.

FOREIGN EXCHANGE SALES

A levy of 10 per cent will be charged on sales of foreign exchange for vacation and business travel and for emigration purposes.

This measure is expected to yield \$55.0 million.

PURCHASE TAX

The coverage of the purchase tax will be further extended to include items such as live horses (50%), closed circuit television systems (30%), paper products, plastic products and flat galvanised iron sheets (10%). The full list of items will be published in the Provisional Collection of Taxes Order.

This measure is estimated to yield \$16.0 million.

STAMP DUTY ON BILLS OF ENTRY

Excluding food and drugs, there will be a stamp duty chargeable at the rate of 12% on bills of entry, with immediate effect. This duty will apply notwithstanding exemptions granted under Section 49A of the Customs Ordinance.

This measure is expected to yield \$427.3 million.

INCOME TAX

All persons applying for licences, loans, grants, foreign exchange, fiscal concessions etc., from Government Departments and agencies will henceforth be required to furnish a Board of Inland Revenue file number with their applications.

This new procedure is but one element in a concerted programme which will be intensified during 1985 to bring the self-employed fully into the income tax net.

The Board of Inland Revenue will also be undertaking a special registration exercise of the self-employed and will for this purpose recruit the train 'O' level graduates on a temporary basis.

It is estimated that within the first year of this programme the additional revenue yield from personal income tax will be \$300 million.

A WIDE RANGE

It will be recalled that as the revenues of Government increased in the seventies, direct taxation was substantially reduced, so that there is currently a wide range of allowances which results in persons earning up to about \$10,000 per year being totally exempt.

I do not propose to disturb this at this time. There is a view, however, that the burden of income tax

in Trinidad and Tobago is still excessive. Mr. Speaker, let me take this opportunity to share with the national community some basic information pertinent to this issue: detailed analysis of income tax returns for 1982, the latest year for which returns have been fully processed, show that chargeable income was 60 percent of total reported income, average tax liability was 18.4 per cent of such income, while 83 per cent of returns had marginal rates of 45 percent or lower and 54 percent had marginal rates of 30 percent or less.

The fiscal measures which I have enumerated are estimated to yield \$1,239.0 million. On the basis of this effort the recurrent budget, including amendments to be moved in Finance Committee, will yield a surplus of \$539.4 million as its contribution to financing of capital expenditure of \$1,744.5 million. In addition, the Government expects capital receipts of \$261.9 million principally from the repayment of loans made in previous years. Accordingly, fully 45.9 per cent of the capital programme will be financed from our own resources. The balance of \$943.2 million will be met from net borrowing, both domestic and foreign, of which, the latter is projected to be \$685 million.

CONCLUSION

And so, Mr. Speaker, as we enter what may well for us be the most crucial year of the adjustment process I appeal to the national community for a renewed commitment to Trinidad and Tobago.

The measures which we have introduced during the last three years were essential, prudent and timely, and have begun to achieve the intended results. I sense that this is now generally appreciated by the population and that there is a growing willingness throughout the nation to share in the task.

But the initial success of our efforts should not make us complacent; we cannot afford to flag; we must not falter. It is only by unwavering resolve and by sustained effort, not by some of us, but by each and every one of us, that we shall ensure that the foundations that we have laboured so long in building will endure, solid and lasting, for future generations.

I beg to move."

Initial Panday Comment

Port-of-Spain TRINIDAD GUARDIAN in English 10 Jan 85 p 1

[Text]

THE 1985 austerity Budget, riddled with new and increased taxes has been described as a "ball of confusion" by Opposition Leader Basdeo Panday.

He made the snap comments shortly after the session for the presentation of the Budget by Prime Minister and Minister of Finance, Mr. George Chambers, yesterday.

Mr. Panday, who is also President General of the All Trinidad Sugar and General Workers Trade Union, also made reference to the sugar industry.

He said: "What I think is most significant about the Budget is the gap that one feels between rhetoric and reality. What the Government has said it has said before, and it has never shown great capacity and the will to perform."

He added: "Of course, there is the usual imposition of taxes and, in my

view, indirect taxation is a regressive form of tax. It imposes a heavier burden on the poor relatively than it does on the rich. The Budget continues in that way to dismantle the social welfare of the State and to impose a regressive type of taxation in the form of purchase taxes and removal of subsidies."

Mr. Panday commented on the plans outlined by Government for the scaling down and diversification of the sugar industry.

Mr. Panday said: "One is never sure what they are going to do. He (Mr. Chambers) talks about cutting down on the production of sugar to 100,000 tons for local consumption — but at the moment they are not producing 100,000 tons."

"So I do not know how he is going to reconcile that."

Further Panday Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 11 Jan 85 p 3

[Text]

MR BASDEO PANDAY, Leader of the Opposition, speaking as a politician-economist, said yesterday that the 1985 Budget would send Trinidad and Tobago into further recession.

Prime Minister and Minister of Finance George Chambers presented the Budget on Wednesday.

Mr Panday said that as far as the Government was concerned, "the only positive acts taken are to extract money out of the economy and out of the pockets of the people."

The Opposition Leader took time off yesterday from preparing for Monday's Budget debate to express some views on the Budget.

He said: "When the Government takes out money from the pockets of the people, that will have the result of cutting the demand and so further contract the market base upon which a recession could turn around."

FURTHER BURDEN

"The Government appears to have merely wanted money to stay in power for yet another year and simply looked around for avenues from which it could extract money."

He said that the Government treated the Budget as merely a public accounting exercise with no positive action being planned to swing the economy around.

"The Budget is quite deceitful in that it does not mention all the items which will be affected by price increases in many parts of the Budget. The Prime Minister merely said that these will be listed in the Provisional Collection of Taxes Order which is yet to come."

"So much of the Budget is yet to come. There is no relief in many quarters and a further burden has been placed on the taxpayers without rewards or the hope that things will get better," he said.

Businessmen's Disappointment

Port-of-Spain TRINIDAD GUARDIAN in English 11 Jan 85 p 1

[Article by Jerry Johnson]

[Text] Prime Minister George Chambers's 1985 Budget is an unimaginative document that is a disincentive to the much-touted export thrust and it leaves little hope for the future.

That is a composite sketch drawn yesterday by prominent Port of Spain businessmen in reaction to the Budget.

"The Budget does not give hope for improvement," one leading downtown businessman argued. "It is a mass of words that gives no hope for the future."

The businessman who, because of his sensitive position, preferred to be unidentified, said if he was young he would refuse to live here. He referred to the lack of any philosophical planning toward job training or job creation.

The biggest disappointment, he said, was Government's non-disclosure about Texaco, ISCOTT and Tesoro, which was what most people wanted to hear.

An Impediment

Mr Oscar Alonzo, Chairman of the Government-sponsored Export Development Corporation, felt that the Budget, as it stood, would be an impediment to the export thrust.

He said he imagined that some regulation would follow to exempt raw materials on export--after it had gone. "Government's thrust is export," he said, "and it does not make sense to give facilities on the one hand and take it back on the other."

The Export Development Corporation was established by Government to stimulate exports.

Mrs Diana Mahabir, a director at Personnel Management Services, labelled the Budget as "vague."

"I thought it did not come up with creative ideas to solve identifiable problems," she said. "I liked the idea of the Science Park but where are we going to get the expertise. We will have to get a new faculty at UWI."

The consultant said she never expected a reduction in personal emolument but she had hoped for a reduction in corporate tax.

"The Government is sending us a double message," she suggested. "They want more investment from private enterprise but they are saying they are not prepared to do anything about it."

The businessman, however, was more concerned with the disincentives to export created by the 12 per cent stamp duty on bills of entry, except for food and drugs, and how it compared to other islands in terms of incentives.

"What it does amount to is a devaluation," he suggested. "It's a sales tax, only it is going to the Customs and the Government collects the revenue."

One cannot talk about exports, he said, and increase the price of raw materials, factories, and machines. Otherwise an investor would easily go to Venezuela.

Alcohol and tobacco also felt the tax-bite and the price of local rum is expected to increase by about 28 per cent per case.

Mr Jack Lewsey, public relations officer at Angostura, said a retail bottle of rum which sells for about \$18.00 will now cost about \$21.50. The case which sold for \$179 will now sell for \$229.

Over at West Indian Tobacco Company an official could not yet determine price until they studied the Provisional Order.

Union Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 11 Jan 85 p 1

[Text]

HIGHER levels of unemployment and higher prices are two negative results of the 1985 Budget expected by labour officials in this country.

In a preliminary reaction to the Budget, members of the Joint Grouping of Trade Unions (JGTU) have described it as "a prescription for continuing industrial, social and political unrest."

Their statement, signed by Pro tem Secretary, Mr Satar Abdool, criticises Government's "continued failure to seriously address the question of re-structuring the economic base of the country."

This judgment is based on statements made by Prime Minister and Minister of Finance, Mr George Chambers on oil, construction, agriculture and manufacturing and services.

"In respect of the oil sector, there is no resolution of the negotiations with Texaco and Tesoro," the statement reads.

Meanwhile, the Government has continued to make concessions to the foreign oil companies, the nett effect of which is the transfer of the tax burden from the oil companies to the working people."

They also predicted no solutions to the collapse of the construction industry because JGTU feels statements made on its re-vitalisation amount to non-proposals.

The statement continues: "The removal of subsidies and the conversion to soft loans through the Agricultural Development Bank (ADB) will lead to reduction of income to small farmers and an increase of unemployment, especially since most farmers will fail to qualify for soft loans because of a lack of security of tenure."

"The proposals for the re-structuring of the sugar industry will lead to serious economic and social dislocation and would not achieve any measure of diversification."

The organisation has formed a committee to examine and analyse the effects of the Budget on the working class.

Meanwhile Mr Francis Mungroo, Secretary General of Seamen and Waterfront Workers' Trade Union, said that they were very much disappointed with the Budget and would like to refer to it as "a steam roller Budget."

Chamber Comment

Port-of-Spain TRINIDAD GUARDIAN in English 12 Jan 85 p 1

[Article by Jerry Johnson]

[Text] The President of the Trinidad Chamber of Industry and Commerce yesterday charged that the 1985 Budget was shortsighted and lacked any long-term plan to revitalise and expand the economy.

Mr Len Hackshaw, at a Press briefing at the Chamber's headquarters, Frederick Street, Port of Spain, said yesterday the Chamber, as usual, presented its own proposals to the Prime Minister and it would be made public shortly.

The Prime Minister's 12 per cent tax on bills of entry also came in for "jamming" from the Chamber which like most people, considered it a "disincentive" and a "one-sided" devaluation.

"There was nothing done to stimulate or invigorate business activity but much has been done to depress and discourage it," Mr Hackshaw reasoned. "The Prime Minister got on his horse and rode off in all directions in the sense that the Budget involved the transfer of funds from the income earning sector of the economy to the non-income earning sector."

A \$6 billion economy was being used to supplement a \$9 billion Budget, he said. The economy was attacked with a blunt instrument so that Government could collect as much revenue as possible in 1985 to meet recurrent expenditure.

Instead of releasing the private sector to earn, recover and reinvest, the president charged the private sector has been penalised and effectively will be strangled.

Painful Adjustment

"Unless there is a reduction in expenditure and an increase in efficiency," Mr Hackshaw said, "this country will get nowhere."

Against a background of belt-tightening and painful adjustment, he said, the Government persisted with high taxes and Ministries "responsibly" submitted requests for billions, he added sarcastically.

The president characterised the 12 per cent stamp duty on bills of entry as a disincentive to joint ventures, exports, manufacturers, agriculture and construction. Just about everybody, he added, except for food and drugs.

But Mrs Carmena Baird, General Manager of the Chamber, warned that food and drug prices would rise, though not as fast, because when prices rose cost of administration also increased.

"I feel it is an oversight on introduction," Mr Hackshaw suggested, "and steps will be taken later to correct this anomaly."

Mr Hackshaw further suggested that the 12 per cent stamp duty may even be in contravention of the Caricom agreement and of the regulations on tariff and trade. He was concerned also about the 10 per cent tax on foreign exchange for business travel, saying it would affect the people who travel to penetrate markets or go for exploratory talks on joint ventures.

He argued that the 12 per cent stamp duty amounted to a "one-sided" devaluation in the sense that prices would increase both on the local and foreign markets, whereas in a real devaluation local goods became cheaper outside.

Mr Hackshaw condemned the land tax, citing discrimination against the big landowner. Coffee, citrus and cattle rearing cannot be produced without large acres, but watermelon could be on a small plot, with great returns.

"The tax should be imposed on un-utilised land so people will put it to use (agriculture)" he suggested.

CSO: 3298/323

TRINIDAD AND TOBAGO

POPE'S VISIT WILL LAST 7 1/2 HOURS, INCLUDE AIRPORT SPEECH

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jan 85 p 1

[Article by John Babb]

[Text] His Holiness Pope John Paul II will address the nation from Piarco Airport shortly after he arrives at 4.30 p.m. on February 5, for his seven-and-one-half hour official visit to Trinidad and Tobago that is estimated to cost \$500,000.

Of that amount \$100,000 will go towards the purchase of the popemobile in which the Pontiff will ride during his short visit. The vehicle has already arrived in the country. (See Page 3 story).

Shortly after the aircraft with Pope John arrives at Piarco from Peru, the Pope will be met on board by the Government's Chief of Protocol, Archbishop Anthony Pantin, and the Papal Pro Nuncio, Monsignor Luizi Bonnazzi, who currently fills the role of Charge d'Affaires.

When he disembarks, Pope John will be introduced to members of a welcoming party, which will include President Ellis Clarke and Prime Minister George Chambers, after which he will address the nation.

Details of the upcoming visit, as they relate to the Roman Catholic Church, were spelt out yesterday at a news conference summoned by the Central Committee looking after the visit.

No representative of Government was present yesterday at the Papal Secretariat where the news conference was held.

The committee, through its chairman, Mr Harold Bertrand who is also chairman of the National Council of the Church Laity, explained that all of the details were related to the Church's aspect of the visit.

The Government, he said, would probably make its own announcements at its own news conference. But Mr Bertrand assured that both sides were working closely on all aspects of the visit.

The Route

Pope John's address to the nation will probably be of 15 or 20 minutes duration, for at 5 p.m. he is due to leave the airport in a motorcade which will travel along Piarco Road, the Churchill-Roosevelt Highway, Beetham Highway, Wrightson Road, French Street into Maraval Road, then proceed around the Queen's Park Savannah; back through Maraval Road, French Street, Wrightson Road then into the National Stadium.

On arrival at the Stadium the Pope will be received by various church representatives, after which he will drive around the stadium in the open jeep.

Following his stadium drive, Pope John will proceed to say Eucharistic Mass. This is due to begin at 6.30 p.m. and will last about two hours, 15 minutes.

After the Mass, the Pope will be driven to President's House for a reception being hosted by the Government, after which he will leave for Piarco Airport.

Pope John will then board an Alitalia aircraft at 11 p.m., which will take him direct to Rome.

This aircraft will arrive at Piarco on February 4--a day ahead of the Pope's arrival. Accommodation and other arrangements have already been worked out for the crew.

The papal party that will arrive with the Pope will comprise some 36 people, and 60 international journalists--45 writers and 15 photographers.

A Communications Centre will be established in the ballroom of the Trinidad Hilton, and from there foreign writers will operate.

At the centre they will be able to view the Eucharistic Mass on television monitors. The centre will also be equipped with interpreters who will broadcast in four different languages; teleprinter facilities, telephones and photographic facilities.

CSO: 3298/323

TRINIDAD AND TOBAGO

GOVERNMENT CONVENES LOCAL MAYORS FOR SECURITY TALKS

Meeting With Joseph

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jan 85 p 1

[Article by Mikey Mahabir]

[Text] San Fernando--The four mayors in Trinidad have been called in by the Minister of Local Government and Community Development, Dr Cuthbert Joseph, for urgent talks aimed at providing the necessary security measures for them.

The meeting, according to Mayor of San Fernando, Councillor Rakeeb Hosein, will take place today at 10 a.m. at the Ministry's office in Port of Spain.

The Minister of Local Government called the meeting following the attempt to burn down the \$500,000 home of Mayor Hosein at Fonrose Street, San Fernando, on Wednesday morning last week.

About ten hours after that incident, an attack was made on the life of Mayor Hosein's son, Kazim, 25, an employee of the Transport Department, San Fernando Borough Council. Kazim was abducted at Circular Road, San Fernando, by three men, taken to a lonely road at Claxton Bay and chopped.

And on Sunday, Mayor of Port of Spain, Councillor Stevenson Sarjeant, received an anonymous telephone call threatening him.

Police Guard

Many persons who spoke to Mayor Hosein over the weekend expressed the view that some form of protection should be given to mayors at their homes. Mayor Leroy Morris of Arima and Mayor Victor Chin Kit of Point Fortin are the other two mayors to take part in today's discussions.

San Fernando Police are continuing their investigations into the attempted arson and abduction of Mayor Hosein's son. No arrests have been made but Police are working day and night to solve the matter.

Meanwhile, an armed police guard has been posted at Mayor Hosein's home. The Mayor went to his office at the Town Hall, Harris Promenade yesterday, and attended to his normal duties.

Meanwhile Mayor Hosein has been asked by the Minister of Local Government to submit an official report on the incidents.

Dr Wahid Ali, President of the Senate was one of many persons who visited Mayor Hosein's home on Sunday, following reports of the incidents, and to express their concern.

And on Saturday, Rep Nizam Mohammed and Rep Winston Dookeran, Opposition Members of Parliament also extended their sympathy by telephone.

Minister of Labour, Mr Errol Mahabir, and Minister of Local Government, Dr Cuthbert Joseph, also spoke to the Mayor on the matter.

Tales of Threats, Attacks

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jan 85 p 1

[Article by Mikey Mahabir]

[Text] San Fernando--Mayors of the four municipalities--San Fernando, Port of Spain, Arima and Point Fortin--will be provided with protection by their borough policemen in conjunction with the regular police service, it was learnt yesterday. The security will be at their homes and offices.

This has become necessary because of recent attacks and threats on the lives of Mayor Rakeeb Hosein of San Fernando and Mayor Stevenson Sarjeant of Port of Spain.

The four Mayors met yesterday with the Minister of Local Government and Community Development, Dr Cuthbert Joseph, at the Minister's Port of Spain office and discussed at length the dangers they faced in the course of their duties.

The other Mayors in yesterday's discussion were Councillor Leroy Morris of Arima and Alderman Victor Chin Kit of Point Fortin.

The Mayors are to submit reports to the Minister outlining the problems they faced such as understaffing of their respective police forces and recommendations to bring them up to strength.

It was learnt that the four Mayors are due to meet on Saturday to discuss matters arising out of their meeting with the Minister, and to draft a plan to ensure efficient operations of their respective police departments, then to meet again by the end of this month with the Minister.

One of the recommendations to be put to the Minister is provision of a police bodyguard for the Mayor of San Fernando and an orderly for the Council.

It is understood that the Port of Spain Mayor already has a bodyguard and orderly at his Council.

A release from the Ministry said yesterday:

"The meeting highlighted the need to establish an Association of Municipal Councils for the purpose of discussing common problems faced by all the Municipalities and for the introduction of measures to improve the effectiveness of the Councils, their relation with the different agencies of Central Government and their collaboration with the various groups in their respective communities.

To Meet Again

Very shortly the Mayors will meet to draw up an agenda for presentation to the Minister and the Mayors which has been fixed for Wednesday, January 30 at 10 a.m. at the office of the Minister."

Meanwhile, as Southern Division Police continue their investigations into the attempted arson on Mayor Hosein's house and the chopping of his son Kazim, in an abduction involving three men, the Mayor said yesterday he did not believe that the venders had anything to do with the incident.

He said that after the council cleaned the pavement along High Street of the venders, he walked through the area several times and no one interfered with him. He also passed peacefully through the Chancery Lane Mall where the venders are housed.

"I really do not know why the attacks were made on my family," he said. He emphasised that he could not say who were the persons responsible for the incidents.

CSO: 3293/323

TRINIDAD AND TOBAGO

GOVERNMENT DISCERNS HOPEFUL SIGNAL IN GRENADA SPEECH

Port-of-Spain TRINIDAD GUARDIAN in English 29 Dec 84 p 1

[Article by John Babb]

[Text] St George's, Fri.,--The Government of Prime Minister Herbert Blaize indirectly sent out a signal to the Government of Trinidad and Tobago in obvious reference to Trinidad and Tobago's imposition of visa requirements on Grenadians wishing to travel to Trinidad and Tobago.

When the point was made, External Affairs Minister, Senator Dr Basil Ince immediately made a quick note on his programme, as he sat among the VIPs listening to the speech.

Grenada said it pledged firm commitment to the United Nations and will work relentlessly in supporting the U.N.'s peace-keeping role.

It supported the Commonwealth and will play its part in developing and strengthening it.

Governor General Sir Paul Scoon said in the Throne Speech: "My Government accepts the concept of Caribbean unity and will endeavour to work with our Caricom partners to make this unity real.

"My Government believes that greater opportunities shall be provided for ordinary citizens of the different Caricom countries to meet one another without let or hindrance. In keeping with the true spirit of Caricom, my Government will be very reluctant to do anything to pose the slightest inconvenience to citizens of other Caricom countries wishing to travel to Grenada for legitimate purposes."

The Government also pledged to work to strengthen the Organisation of Eastern Caribbean States (OECS), support the Organisation of American States (OAS), as well as to strengthen relations with North America, the European Economic Community (EEC), South America, including Brazil and Venezuela, and Mexico.

Against Apartheid

The Government said it will review certain relationships with a few countries to prevent the imposition of any philosophy which is hostile to Grenada's parliamentary and democratic lifestyle, "or which is foreign or repugnant to the way of life of the Grenadian people."

In the Throne Speech Prime Minister Blaize said his Government was totally opposed to any form of totalitarianism or apartheid, and would end its friendship with any nation which does not allow religious freedom.

CSO: 3298/324

TRINIDAD AND TOBAGO

PANDAY CALLS FOR RESTORATION OF GOOD TIES WITH GRENADA

Port-of-Spain EXPRESS in English 1 Jan 85 p 3

[Text]

OPPOSITION leader Basdeo Panday yesterday called for the re-establishment of good relations between Trinidad and Tobago and Grenada, including the implementation of the recommendations which the Cross fact-finding mission submitted to Cabinet.

Panday made the point following his return from Grenada where he attended the opening of the Grenada Parliament. Panday, along with External Affairs Minister Basil Ince, represented this country at the opening of Parliament last Friday. Panday said the most pressing problem to be settled was the listing of visa restrictions slapped on

Grenadians who wanted to enter Trinidad and Tobago after the disturbances last year.

The opposition leader said it was his hope that both Prime Minister George Chambers and Prime Minister Herbert Blaize will discuss this issue in the meetings planned between both leaders for later this year.

Panday said the listing of this visa restriction will assist in removing the suspicion of Grenadians towards their counterparts in Trinidad and Tobago. Panday said that relations between Grenada and Trinidad and Tobago should be improved, especially since Grenada was a close neighbour to this country. Panday said he was satisfied that the Grenadian people were "getting out of the trauma to which they were subjected in the recent past."

Asked about the implications of foreign troops on Grenadian soil, Panday replied that this

was a matter for the Grenadian people to determine. Said Panday: "The people of Grenada must be allowed to decide what was best for them. And that was a matter for them to decide."

According to his assessment, Grenada was in need of technical assistance to repair roads and re-establish the institutions of Parliament, the law courts and the administration. He said a market could be found for our asphalt products in the road repairing projects in Grenada.

Earlier this year, the Government appointed a non-partisan fact-finding commission to Grenada headed by retired Justice Ulric Cross. The commission has submitted a majority report to Cabinet while opposition chief whip, Nizam Mohammed, who was a member of the commission, handed in a minority report. Panday said the Government must take steps to implement the recommendation of the reports.

CSO: 3298/324

TRINIDAD AND TOBAGO

UNION ISSUES SPOTLIGHTED IN YEAR-END DEVELOPMENTS

Call for Profit-Sharing

Port-of-Spain TRINIDAD GUARDIAN in English 25 Dec 84 p 3

[Text] Employers must treat employees as human beings and let them share in the profits since labour and management must work together for the successful growth of any enterprise.

So said Mr Owen Hinds, President General of Contractors and General Workers' Trade Union, delivering his Christmas message at the union's dinner held last Saturday night at union headquarters, Rushworth Street, San Fernando.

Mr Hinds noted that too often employers complained about a drop in profits "and they do this whenever they have to give their employees a little piece of the cake.

"We deplore such attitudes and call upon employers, particularly those with whom we have recognition, to think in the spirit of the goodwill at this time of the year, and treat their employees with more respect since they are the ones who have to toil, come rain or sun, to make the business pay."

Mr Hinds added: "As for us, we have our own problems in dealing with employers. We have our problems with Government-owned Lake Asphalt Company of Trinidad and Tobago Limited, Hi Lo Supermarket and San Fernando Borough Council."

He regretted that the union had to take the Asphalt Company to court for failing to meet to open wage negotiations.

Negotiations with the Chief Personnel Officer on behalf of the daily-paid workers of the San Fernando Borough Council were yet to be completed. And as for Hi Lo, a claim for recognition on behalf of the monthly-salaried workers was before the competent authority.

These are but a few of the problems the union is faced with but with the active and dedicated support of the membership, the union is going to win out to the end," he assured.

"I take this opportunity to extend to all a Merry Christmas and hope that the New Year will bring relief for our problems," he added.

Panday on Neglect of Sugar

Port-of-Spain TRINIDAD GUARDIAN in English 25 Dec 84 p 3

[Text]

THE SUGAR industry in Trinidad and Tobago is dying from neglect and of clear and firm decision making. And that has been the sugar industry's problem ever since it became completely State-owned in 1975.

This was stated by Opposition Leader Basdeo Panday, President General of All Trinidad Sugar and General Workers' Trade Union, when asked to give his views on the future of the sugar industry in this country.

Caroni's history is one of indecisiveness, political patronage, and mal-administration "and they have allowed the industry simply to die. I believe that is being politically and deliberately motivated," he added.

Asked if he believed that the Prime Minister and Minister of Finance, Mr George Chambers, would outline proposals aimed at either making Caroni viable or cutting down on expenditures, Mr Panday said he could not say. He had no idea of what the Budget would contain or whether the Prime Minister would touch on Caroni's future.

One thing, Mr Panday was quite clear about is that the company was dying slowly.

The company has a labour force of approximately 11,000.

The 1985 crop will see two factories in operation — Brechin Castle and Ste Madeline. The crop is expected to get underway on January 2. To date the company has not revealed its target sugar production.

80,000 TONS

According to a source close to Trinidad Islandwide Cane Farmers Association (TICFA), the company's aim is to produce 80,000 tons of sugar in 1985. For the 1984 crop, production was approximately 76,000 tons. The farmers sold 295,000 tons of canes and are planning to reap about 350,000 tons this year, providing good weather prevails. The farmers are also taking up a challenge from the company to harvest in future some 500,000 tons of canes.

"That is no big problem" said a TICFA official. "Many years ago the farmers produced much more than that."

Cane farmers are all set for the opening of the 1985 crop. The company, it is understood, is also ready.

Blast at Sugar Union Officials

Port-of-Spain EXPRESS in English 4 Jan 85 p 3

[Text]

THE 15,000-strong All Trinidad Sugar and General Workers Trade Union is once more under pressure as the president of the Brechin Castle branch of the union publicly called for the resignation of union general secretary Sam Maharaj, and vice president Boysie Moore Jones.

Brechin Castle branch president Rabindranath Seetahal spoke with the EXPRESS San Fernando Desk by telephone yesterday and accused Maharaj and Jones of "misleading" union president general Basdeo Panday on the disputed four-shift roster for factory workers. Seetahal, who vacillated in support between Panday and lawyer Dave Persad during a leadership challenge last October, said he was "completely fed-up and frustrated by the incompetence of senior officers of the union."

Seetahal said that had it not been for the intervention of Panday, factory workers would have "walked" into a trap created by Caroni Limited to retrench workers and reduce benefits. Seetahal said the general secretary and the vice president had misled Panday on all the issues involving factory workers. He said these two officers "lacked knowledge at the two factories." Seetahal said he would meet with the full membership of the Brechin Castle branch to discuss the situation and formalise protest action against the senior union officials.

Seetahal insisted that he was not transferring his allegiance to Persad, because he had faith in the leadership of Panday. Said he: "I am taking the risk of being suspended from the union. But now I don't even care about being a member of the union. I am fed-

up, frustrated and sick about the way in which the union operates. There are officers who must be removed."

Said Seetahal: "There was a time when I was proud of my union. I cannot say I am proud of my union now. I resigned from branch positions 19 times and declined nominations on two occasions. This is my fifth term as president so I know what I am talking about."

Contacted yesterday, Maharaj denied the charges levelled against him by Seetahal. He said Seetahal could not talk about misleading the president because he (Seetahal) was a part of the team negotiating the shift-roster with Caroni Limited.

Maharaj said Seetahal was a part of all the discussions and could have advised the president general otherwise. He said Seetahal was free to express his views.

Layoffs From Productivity

Port-of-Spain EXPRESS in English 22 Dec 84 p 40

[Text] For 900 workers at Amalgamated Industries Ltd, this Christmas will be their bleakest ever.

The workers were informed at a meeting called by the Transport and Industrial Workers Union yesterday at Arima that they will be laid off from January 10, the day on which they were to return to work from annual leave, until March 4.

The surprised workers were told by chief grievance officer, Albert Aberdeen that according to the company (a car assembly plant and subsidiary of Neal and Massy Group of Companies), because of high stocks and reduced orders, they will be laid off until March 4, following which 200 workers will be retrenched.

"You will be laid off because you have been too productive," Aberdeen told the workers, noting that earlier this year they were asked by the company to increase productivity and were even praised in the company's newsletter for their work when production reached 40 cars per day.

Aberdeen also accused the company of bad industrial relations since the workers were sent home on annual leave without being informed about the company's plans.

Aberdeen also said that the union was demanding to see the company's sales figures for the last three years to determine whether or not it was justified in laying off the workers.

The chief grievance officer also said that the union has suggested to the company that it advance the workers' salaries to enable them to survive during the period in which they will be laid off, but so far had not received any response from Amalgamated.

Despite persistent attempts by the EXPRESS, the company could not be contacted for comment yesterday.

Texaco 'No' to Wage Hike

Port-of-Spain TRINIDAD GUARDIAN in English 3 Jan 85 p 3

[Text]

TEXACO Trinidad Inc. has turned down a request from the Oilfields Workers Trade Union to make an interim first-year wage increase to weekly and hourly-paid employees.

The Union, through Mr. Errol Mc Leod, First Vice-President, wrote the Company on December 17 proposing an interim payment of 15 per cent without prejudice to the Union's final position in wage negotiations.

Texaco replied by letter dated December 21 drawing the Union's attention to the Minister of Labour's intervention in the wages dispute.

The Union was also reminded of conciliatory meetings with the company under the aegis of the Ministry from May to August last year in efforts to settle the dispute.

Texaco's letter, signed by Mr Lawrence Hawkins for General Manager, stated in part:

"Since we last met, on August 30, 1984, the parties have at the request of the Minister jointly agreed to extension of time specified under the Act in which the Ministry will take steps to secure a settlement by means of conciliation.

DIRECT REQUEST

"The most recent of these extensions signed jointly by the parties on November 30, 1984, expired on December 31, 1984. In the circumstances therefore, and in recognition of the deference to the Minister of Labour's efforts to settle the negotiations, we do not think it appropriate that we should consider a direct request from your Union for an interim payment at this time."

Mr. Mc Leod said yesterday that the company's stand was contrary to good industrial relations practices.

He said there was nothing in the law stipulating that while conciliation proceedings were being conducted by the Ministry of Labour the parties could not bilaterally discuss problems.

CSO: 3298/324

TRINIDAD AND TOBAGO

AMOCO LAUNCHES OFFSHORE PLATFORM REHABILITATION PROGRAM

Port-of-Spain TRINIDAD GUARDIAN in English 29 Dec 84 p 1

[Text]

AMOCO Trinidad Oil Company has undertaken a major rehabilitation project aimed at restoring its older offshore platform.

The programme, codenamed "Catch-up", is scheduled for completion by the first quarter of 1986 and is expected to cost the company some \$TT24,000.00.

Details of the project are contained in the November/December edition of "Amoco News".

According to the report, the programme is an attempt to restore the company's platforms to conditions comparable with new platforms. When completed it is expected that a higher standard of preventive maintenance will be introduced to avoid breakdowns.

"Catch-up" was conceived after a considerable backlog of "non-urgent type maintenance work accumulated. Two teams of experienced off-shore personnel were recruited to implement the programme.

AN INCREASE

To launch the project, Amoco undertook a preliminary survey of all off-shore installations to determine a priority scale for the work to be done.

The first phase of "Catch-up" started last July with another phase implemented in early September. Work has since progressed to a stage where active repair and replacement have started.

This is the second major internal project to be launched by the company in recent years.

Another programme, "Operation Turnaround", was launched in late 1982 in a bid to arrest declining production trends. The full impact of this project was felt in 1984 when levels of production increased dramatically.

According to figures released by the company when the project started, production dropped from 88,000 barrels per day (bpd) to 79,600 bpd in February 1984. But by November this increased to an average of 101,195 bpd.

CSO: 3298/325

TRINIDAD AND TOBAGO

TOBAGO HIT BY HEAVY RAINS; ARMY, COAST GUARD CALLED OUT

Robinson's Remarks

Port-of-Spain EXPRESS in English 24 Dec 84 p 1

[Article by Compton Delph]

[Excerpts]

A.N.R. ROBINSON, Chairman of the Tobago House of Assembly, called in both the Coast Guard and the Army in an emergency operation yesterday, resulting from almost hurricane weather in the island.

"I am simply surprised that the rest of the country does not know what we have been going through these past few days," Robinson said yesterday.

"Do the weather reports at Piarco ever take Tobago into consideration?" he asked. "It was almost like Hurricane Flora in '63 when the entire island was being flattened and the radio stations were blissfully unaware."

Robinson said that he and his people at the Assembly had taken immediate action.

The Coast Guard was standing by yesterday to take food supplies into Castara and Parlatuvier, if the huge landslides on the roads were not cleared.

Robinson said that he was heartened by the co-operation received from the services... Army, Coast Guard, Fire Services, Police.

He was also loud in his praise for the workers who responded as a team in a time of crisis: "They were just great" he said.

Robinson was also grateful for the assistance by state agencies like the Secondary Roads Development Company, and private operators like Seereeram Brothers, who were called in and responded promptly to the emergency operation.

What will be needed now, said Robinson, is money to repair the damage.

"Budgetary support for this emergency is of course necessary and the approach will be made in the appropriate manner" he said.

The Assembly Chairman recalled that there used to be provision in the national estimates for weather emergencies like this one.

"And it was a recurrent item in the Budget timed particularly for this period of the year. But is it no longer there," he said.

Recovery Work

Port-of-Spain EXPRESS in English 25 Dec 84 p 32

[Article by Compton Delph]

[Excerpts] Some 88 landslides, the majority of them in the northern part of the island, have been cleared in Tobago and road communication with all districts re-established.

Colonel Mahendra Mathur, the chief technical officer of the Works Division of the Tobago House of Assembly reported yesterday that the immediate crisis posed by heavy rainfall over the past week or so has been overcome.

"We have been able to clear all the landslides and motor traffic reopened along the Moriah/Castara Road," said the colonel. "Our men have done a tremendous job," he declared.

On Sunday, Assembly chairman, A.N.R. Robinson, got the coast guard and army to stand by in the event food and emergency supplies had to be taken into Castara and Parlatuvier, two small villages which had been completely isolated. But the emergency operation was not necessary as the several landslides were cleared.

Robinson said on Sunday that the damage done would certainly need special budgetary provisions if proper repair work is to be done and he intended raising the matter "at the appropriate time" with the central government.

CSO: 3298/325

TRINIDAD AND TOBAGO

BRIEFS

CHARGE AGAINST MUSLIM LEADER--The City Clerk, acting on behalf of the Port-of-Spain City Corporation, has asked the High Court to commit the leader of the Muslim group Jamaat Al Muslimeen to prison for contempt of court. Oscar Blenman, City Clerk, filed the affidavit in Port-of-Spain Registry asking the court to commit Yasin Abu Bakr to prison for contempt of court for defying a court order to demolish a structure of Mucurapo Lands. Hearing of the application is fixed for this morning at NIPDEC House, Port-of-Spain. Mr Blenman is seeking an order that Bakr be committed to prison for contempt of court in continuing to erect a building (mosque) and in failing to demolish and/or remove the columns and steel beams and construction as ordered by the court on December 29 last year. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Jan 85 p 1]

FOREIGN EXCHANGE RACKET--Fraudulent EC-1 forms for the purchase of foreign exchange for emigration purposes are being circulated. And according to a reliable source the Central Bank of Trinidad and Tobago has alerted commercial banks to be on the lookout for the bogus documents. The source said that from information received the forms went into circulation about three weeks ago and several banks have been "caught." Basically, it works like this: someone in possession of the form--with the bogus signature of three top officials of the Central Bank and the bank's seal--fills it out purporting to show that the Bank gave approval for the release of funds. The person goes with it to a commercial bank and the money is released by the bank thinking the form was legally obtained. The source said that hundreds of thousands of dollars may have illegally left the country through the racket. Meanwhile the Central Bank has instructed commercial banks to implement immediately a measure announced in the 1985 Budget--a levy of ten percent on the sale of foreign exchange for vacation, business and emigration purposes. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 12 Jan 85 p 1]

CSO: 3298/325

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